

4/18/97

A BILL

To *reform* the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**--This Act may be cited as the "Public Housing Management Reform Act of 1997".

(b) **TABLE OF CONTENTS.**--The table of contents for this Act is as follows--

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purposes.

TITLE I--PUBLIC HOUSING AND RENT REFORMS

Sec. 100. Establishment of capital and operating funds.
Sec. 101. Determination of rental amounts for residents of public housing.
Sec. 102. Minimum rents for public housing and section 8 programs.
Sec. 103. Public housing ceiling rents.
Sec. 104. Disallowance of earned income from public housing and section 8 rent and family contribution determinations.
Sec. 105. Public housing homeownership.
Sec. 106. Public housing agency plan.
Sec. 107. PHMAP indicators for small PHAs.
Sec. 108. PHMAP self-sufficiency indicator.
Sec. 109. Expansion of powers for dealing with PHAs in substantial default.
Sec. 110. Public housing site-based waiting lists.
Sec. 111. Community service requirements for the public housing and section 8 programs.

- 1 Sec. 112. Comprehensive improvement assistance program
- 2 streamlining.
- 3 Sec. 113. Flexibility for PHA funding.
- 4 Sec. 114. Replacement housing resources.
- 5 Sec. 115. Repeal of one-for-one replacement housing requirement.
- 6 Sec. 116. Demolition, site revitalization, replacement housing,
- 7 and tenant-based assistance grants for developments.
- 8 Sec. 117. Performance evaluation board.
- 9 Sec. 118. Economic development and supportive services for public
- 10 housing residents.
- 11 Sec. 119. Penalty for slow expenditure of modernization funds.
- 12 Sec. 120. Designation of PHAs as troubled.
- 13 Sec. 121. Volunteer services under the 1937 Act.
- 14 Sec. 122. Authorization of appropriations for operation safe home
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- 20 Sec. 201. Permanent repeal of Federal preferences.
- 21 Sec. 202. Income targeting for public housing and section 8
- 22 programs.
- 23 Sec. 203. Merger of tenant-based assistance programs.
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- 26 Sec. 206. Welfare to work certificates.
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- 29 Sec. 208. Streamlining section 8 tenant-based assistance.
- 30 Sec. 209. Income verification.
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- 33 Sec. 211. Recapture and reuse of ACC project reserves under the
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- 35 Sec. 212. Expanding the coverage of the Public and Assisted
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- 37 types of crime and to provide formula funding.
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**TITLE III--"ONE STRIKE AND YOU'RE OUT"
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- 42 Sec. 301. Screening of applicants.
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- 45 Sec. 304. Availability of criminal records for public housing
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- 47 Sec. 305. Definitions.
- 48 Sec. 306. Conforming amendments.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 **(a) FINDINGS.**--The Congress finds that--

3 (1) we have a shared national interest in creating
4 safe, decent and affordable housing because, for all
5 Americans, housing is an essential building block toward
6 holding a job, getting an education, participating in the
7 community, and helping fulfill our national goals;

8 (2) the American people recognized this shared national
9 interest in 1937, when we created a public housing program
10 dedicated to meeting these needs while creating more hope
11 and opportunity for the American people;

12 (3) for 60 years America's public housing system has
13 provided safe, decent, and affordable housing for millions
14 of low-income families, who have used public housing as a
15 stepping stone toward greater stability, independence, and
16 homeownership;

17 (4) today, more than 3,300 local public housing
18 agencies--95 percent of all housing agencies throughout
19 America--are providing a good place for families to live and
20 fulfilling their historic mission;

21 (5) yet, for all our progress as a nation, today, only
22 one out of four Americans who needs housing assistance
23 receives it;

1 (6) at the same time, approximately 15 percent of the
2 people who live in public housing nationwide live in housing
3 with management designated as "troubled";

4 (7) for numerous developments at these troubled public
5 housing agencies and elsewhere, families face a overwhelming
6 mix of crime, drug trafficking, unemployment, and despair,
7 where there is little hope for a better future or a better
8 life;

9 (8) the past 60 years have resulted in a system where
10 outdated rules and excessive government regulation are
11 limiting our ability to propose innovative solutions and
12 solve problems, not only at the relatively few local public
13 housing agencies designated as troubled, but at the 3,300
14 that are working well;

15 (9) obstacles faced by those agencies that are working
16 well--multiple reports and cumbersome regulations--make a
17 compelling case for deregulation and for concentration by
18 the Department of Housing and Urban Development on
19 fulfillment of the program's basic mission;

20 (10) all told, the Department has drifted from its
21 original mission, creating bureaucratic processes that
22 encumber the people and organizations it is supposed to
23 serve;

1 (11) under a framework enacted by Congress, the
2 Department has begun major reforms to address these
3 problems, with dramatic results;

4 (12) public housing agencies have begun to demolish and
5 replace the worst public housing, reduce crime, promote
6 resident self-sufficiency, upgrade management, and end the
7 isolation of public housing developments from the working
8 world;

9 (13) the Department has also recognized that for public
10 housing to work better, the Department needs to work better,
11 and has begun a major overhaul of its organization,
12 streamlining operations, improving management, building
13 stronger partnerships with state and local agencies and
14 improving its ability to take enforcement actions where
15 necessary to assure that its programs serve their intended
16 purposes; and

17 (14) for these dramatic reforms to succeed, permanent
18 legislation is now needed to continue the transformation of
19 public housing agencies, strip away outdated rules, provide
20 necessary enforcement tools, and empower the Department and
21 local agencies to meet the needs of America's families.

22 **(b) PURPOSE.--**It is the purpose of this Act--

23 (1) to completely overhaul the framework and rules that
24 were put in place to govern public housing 60 years ago;

1 (2) to revolutionize the way public housing serves its
2 clients, fits in the community, builds opportunity, and
3 prepares families for a better life;

4 (3) to reaffirm America's historic commitment to safe,
5 decent, and affordable housing and to remove the obstacles
6 to meeting that goal;

7 (4) to continue the complete and total overhaul of
8 management of the Department;

9 (5) to dramatically deregulate and reorganize the
10 Federal government's management and oversight of America's
11 public housing;

12 (6) to ensure that local public housing agencies spend
13 more time delivering vital services to residents and less
14 time complying with unessential regulations or filing
15 unessential reports;

16 (7) to achieve greater accountability of taxpayer funds
17 by empowering the Federal government to take firmer,
18 quicker, and more effective actions to improve the
19 management of troubled local housing authorities and to
20 crack down on poor performance;

21 (8) to preserve public housing as a rental resource for
22 low-income Americans, while breaking down the extreme social
23 isolation of public housing from mainstream America;

1 (9) to provide for revitalization of severely
2 distressed public housing, or its replacement with
3 replacement housing or tenant-based assistance;

4 (10) to integrate public housing reform with welfare
5 reform so that welfare recipients--many of whom are public
6 housing residents--can better chart a path to independence
7 and self-sufficiency;

8 (11) to anchor in a permanent statute needed changes
9 that will result in the continued transformation of the
10 public housing and tenant-based assistance programs--
11 including deregulating well-performing housing agencies,
12 ensuring accountability to the public, providing sanctions
13 for poor performers, and providing additional management
14 tools;

15 (12) to streamline and simplify the tenant-based
16 Section 8 program and to make this program workable for
17 providing homeownership; and

18 (13) through these comprehensive measures, to reform
19 the United States Housing Act of 1937 and the programs
20 thereunder.

21 **TITLE I--PUBLIC HOUSING AND RENT REFORMS**

22 **SEC. 100. ESTABLISHMENT OF CAPITAL AND OPERATING FUNDS.**

23 **(a) CAPITAL FUND.**--Section 14(a) of the United States
24 Housing Act of 1937 is amended--

1 (1) by redesignating paragraphs (1) through (5) as
2 subparagraphs (A) through (E), respectively;

3 (2) by inserting the paragraph designation "(2)" before
4 "It is the purpose"; and

5 (3) by inserting the following new paragraph (1)
6 immediately after the subsection designation "(a)":

7 "(1) The Secretary shall establish a Capital Fund under this
8 section for the purpose of making assistance available to public
9 housing agencies in accordance with this section."

10 **(b) OPERATING FUND.**--Section 9(a) of the United States
11 Housing Act of 1937 is amended by striking "SEC. 9. (a)(1)(A) In
12 addition to" and inserting the following:

13 "SEC. 9. (a) The Secretary shall establish an Operating Fund
14 under this section for the purpose of making assistance available
15 to public housing agencies in accordance with this section.

16 "(1)(A) In addition to".

17 **SEC. 101. DETERMINATION OF RENTAL AMOUNTS FOR RESIDENTS**
18 **OF PUBLIC HOUSING.**

19 (a) Section 3 of the United States Housing Act of 1937 is
20 amended--

21 (1) in subsection (a)(1), by revising subparagraph (A)
22 to read as follows:

1 "(A)(i) if the family is assisted under section 8
2 of this Act, 30 per centum of the family's monthly
3 adjusted income; or

4 "(ii) if the family resides in public
5 housing, an amount established by the public
6 housing agency not to exceed 30 per centum of the
7 family's monthly adjusted income;" and

8 (2) in subsection (b)(5)--

9 (A) after the semicolon following
10 subparagraph (F), by inserting "and";

11 (B) in subparagraph (G), by striking "; and" and
12 inserting a period; and

13 (C) by striking subparagraph (H).

14 **(b) REVISED OPERATING SUBSIDY FORMULA.--**The Secretary, in
15 consultation with interested parties, shall establish a revised
16 formula for allocating operating assistance under section 9 of
17 the United States Housing Act of 1937, which formula may include
18 such factors as:

19 (1) standards for the costs of operation and reasonable
20 projections of income, taking into account the character and
21 location of the public housing project and characteristics
22 of the families served, or the costs of providing comparable
23 services as determined with criteria or a formula

1 representing the operations of a prototype well-managed
2 public housing project;

3 (2) the number of public housing dwelling units owned
4 and operated by the public housing agency, the percentage of
5 those units that are occupied by very low-income families,
6 and, if applicable, the reduction in the number of public
7 housing units as a result of any conversion to a system of
8 tenant-based assistance;

9 (3) the degree of household poverty served by a public
10 housing agency;

11 (4) the extent to which the public housing agency
12 provides programs and activities designed to promote the
13 economic self-sufficiency and management skills of public
14 housing tenants;

15 (5) the number of dwelling units owned and operated by
16 the public housing agency that are chronically vacant and
17 the amount of assistance appropriate for those units;

18 (6) the costs of the public housing agency associated
19 with anti-crime and anti-drug activities, including the
20 costs of providing adequate security for public housing
21 tenants;

22 (7) the ability of the public housing agency to
23 effectively administer the Operating Fund distribution of
24 the public housing agency;

1 (8) incentives to public housing agencies for good
2 management; and

3 (9) standards for the costs of operation of assisted
4 housing compared to unassisted housing.

5 **(c) TRANSITION PROVISION.**--Prior to the establishment and
6 implementation of an operating subsidy formula under
7 subsection (b), if a public housing agency establishes a rental
8 amount that is less than 30 percent of the family's monthly
9 adjusted income pursuant to section 3(a)(1)(A)(ii) of the United
10 States Housing Act of 1937, as amended by subsection (a)(1), the
11 Secretary shall not take into account any reduction of or
12 increase in the public housing agency's per unit dwelling rental
13 income resulting from the use of such rental amount when
14 calculating the contributions under section 9 of the United
15 States Housing Act of 1937 for the public housing agency for the
16 operation of the public housing.

17 **SEC. 102. MINIMUM RENTS FOR PUBLIC HOUSING AND SECTION 8**
18 **PROGRAMS.**

19 The second sentence of section 3(a)(1) of the United States
20 Housing Act of 1937 is amended--

21 (1) at the end of subparagraph (B), by striking "or";

22 (2) in subsection (C), by striking the period and inserting
23 "; or"; and

24 (3) by inserting the following at the end:

1 "(D) \$25.

2 Where establishing the rent or family contribution based on
3 subparagraph (D) would otherwise result in undue hardship, as
4 defined by the Secretary or the public housing agency, for one or
5 more categories of affected families, the Secretary or the public
6 housing agency may exempt one or more such categories from the
7 requirements of this paragraph and may require a lower minimum
8 monthly rental contribution for one or more such categories.".

9 **SEC. 103. PUBLIC HOUSING CEILING RENTS.**

10 (a) Section 3(a)(2)(A) of the United States Housing Act of
11 1937, as amended by section 402(b)(1) of The Balanced Budget
12 Downpayment Act, I, is amended to read as follows:

13 "(A) adopt ceiling rents that reflect the reasonable
14 market value of the housing, but that are not less than--

15 "(i) for housing other than housing predominantly
16 for elderly or disabled families (or both), 75 percent
17 of the monthly cost to operate the housing of the
18 agency;

19 "(ii) for housing predominantly for elderly or
20 disabled families (or both), 100 percent of the monthly
21 cost to operate the housing of the agency; and

22 "(iii) the monthly cost to make a deposit to a
23 replacement reserve (in the sole discretion of the
24 public housing agency); and".

1 (b) Notwithstanding section 402(f) of The Balanced Budget
2 Downpayment Act, I, the amendments made by section 402(b) of that
3 Act shall remain in effect after fiscal year 1997.

4 **SEC. 104. DISALLOWANCE OF EARNED INCOME FROM PUBLIC HOUSING AND**
5 **SECTION 8 RENT AND FAMILY CONTRIBUTION**
6 **DETERMINATIONS.**

7 **(a) IN GENERAL.**--Section 3 of the United States Housing Act
8 of 1937 is amended--

9 (1) by striking the undesignated paragraph at the end
10 of subsection (c)(3) (as added by section 515(b) of Public
11 Law 101-625); and

12 (2) by adding at the end the following new subsection:

13 **"(d) DISALLOWANCE OF EARNED INCOME FROM PUBLIC HOUSING AND**
14 **SECTION 8 RENT AND FAMILY CONTRIBUTION DETERMINATIONS.**

15 **"(1) IN GENERAL.**--Notwithstanding any other provision of
16 law, the rent payable under subsection (a) by, the family
17 contribution determined in accordance with subsection (a) for, a
18 family--

19 "(A) that--

20 "(i) occupies a unit in a public housing project;

21 or

22 "(ii) receives assistance under section 8; and

23 "(B) whose income increases as a result of employment
24 of a member of the family who was previously unemployed for

1 one or more years (including a family whose income increases
2 as a result of the participation of a family member in any
3 family self-sufficiency or other job training program);
4 may not be increased as a result of the increased income due to
5 such employment during the 18-month period beginning on the date
6 on which the employment is commenced.

7 **"(2) PHASE-IN OF RATE INCREASES.--**After the expiration of
8 the 18-month period referred to in paragraph (1), rent increases
9 due to the continued employment of the family member described in
10 paragraph (1)(b) shall be phased in over a subsequent 3-year
11 period.

12 **"(3) OVERALL LIMITATION.--**Rent payable under subsection (a)
13 shall not exceed the amount determined under subsection (a).".

14 **(b) APPLICABILITY OF AMENDMENT.**

15 **(1) PUBLIC HOUSING.--**Notwithstanding the amendment made by
16 subsection (a), any tenant of public housing participating in the
17 program under the authority contained in the undesignated
18 paragraph at the end of the section 3(c)(3) of the United States
19 Housing Act of 1937, as that paragraph existed on the day before
20 the date of enactment this Act, shall be governed by that
21 authority after that date.

22 **(2) SECTION 8.--**The amendments made by subsection (a) shall
23 apply to tenant-based assistance provided by a public housing
24 agency under section 8 of the United States Housing Act of 1937

on and after October 1, 1998, but shall apply only to the extent approved in appropriation Acts.

SEC. 105. PUBLIC HOUSING HOMEOWNERSHIP.

Section 5(h) of the United States Housing Act of 1937 is amended--

(1) in the first sentence, by striking "lower income tenants," and inserting the following: "low-income tenants, or to any organization serving as a conduit for sales to such tenants,"; and

(2) by adding the following two sentences at the end:
"In the case of purchase by an entity that is an organization serving as a conduit for sales to such tenants, the entity shall sell the units to low-income families within five years from the date of its acquisition of the units. The entity shall use any net proceeds from the resale and from managing the units, as determined in accordance with guidelines of the Secretary, for housing purposes, such as funding resident organizations and reserves for capital replacements.".

SEC. 106. PUBLIC HOUSING AGENCY PLAN.

The United States Housing Act of 1937 is amended by inserting after section 5 the following new section:

"SEC. 5A. PUBLIC HOUSING AGENCY PLAN.

1 **"(a) CONTENTS OF PLAN.--**(1) Each public housing agency shall
2 submit to the Secretary a public housing agency plan that shall
3 consist of the following parts, as applicable--

4 "(A) For assistance under section 14, a 5-year
5 comprehensive plan, as described in section 14(e)(1).

6 "(B) For assistance under section 14, the annual
7 statement, as required under section 14(e)(3).

8 "(C) An annual description of the public housing
9 agency's plans for the following activities--

10 "(i) demolition and disposition under section 18;

11 "(ii) homeownership under section 5(h); and

12 "(iii) designated housing under section 7.

13 "(D) An annual submission by the public housing agency
14 consisting of the following information--

15 "(i) tenant selection admission and assignment
16 policies, including any admission preferences;

17 "(ii) rent policies, including income and rent
18 calculation methodology, minimum rents, ceiling rents,
19 and income exclusions, disregards, or deductions;

20 "(iii) any cooperation agreements between the
21 public housing agency and State welfare and employment
22 agencies to target services to public housing residents
23 (public housing agencies shall use best efforts to
24 enter into such agreements); and

1 "(iv) anti-crime and security plans, including a
2 strategic plan for addressing crime on or affecting the
3 sites owned by the agency, a statement of activities in
4 furtherance of the strategic plan to be carried out
5 with assistance under the Public and Assisted Housing
6 Drug Elimination Act of 1990, performance criteria
7 regarding the effective use of such assistance, and any
8 plans for the provision of anti-crime assistance to be
9 provided by the local government in addition to the
10 assistance otherwise required to be provided by the
11 agreement for local cooperation under section 5(e)(2)
12 or other applicable law.

13 Where a public housing agency has no changes to report in
14 any of the information required under this subparagraph
15 since the previous annual submission, the public agency
16 shall only state in its annual submission that it has made
17 no changes.

18 "(E) Other appropriate information that the Secretary
19 requires for each public housing agency that is--

20 "(i) at risk of being designated as troubled under
21 section 6(j); or

22 "(ii) designated as troubled under section 6(j).

23 "(F) Other information required by the Secretary in
24 connection with the provision of assistance under section 9.

1 "(G) An annual certification by the public housing
2 agency that it has met the citizen participation
3 requirements under subsection (b).

4 "(H) An annual certification by the public housing
5 agency that it will carry out the public housing agency plan
6 in conformity with title VI of the Civil Rights Act of 1964,
7 the Fair Housing Act, section 504 of the Rehabilitation Act
8 of 1973, and title II of the Americans with Disabilities Act
9 of 1990, and will affirmatively further fair housing.

10 "(I) An annual certification by the public housing
11 agency that the public housing agency plan is consistent
12 with the approved Consolidated Plan for the locality.

13 (2) The Secretary may provide for more frequent submissions
14 where the public housing agency proposes to amend any parts of
15 the public housing agency plan.

16 **"(b) CITIZEN PARTICIPATION REQUIREMENTS.--**In developing the
17 public housing agency plan under subsection (a), each public
18 housing agency shall consult with appropriate local government
19 officials and with tenants of the housing projects, which shall
20 include at least one public hearing that shall be held prior to
21 the adoption of the plan, and afford tenants and interested
22 parties an opportunity to summarize their priorities and
23 concerns, to ensure their due consideration in the planning
24 process of the public housing agency.

1 **"(c) PERFORMANCE REPORTS.--**The Secretary shall require the
2 public housing agency to submit any information that the
3 Secretary determines is appropriate or necessary to assess the
4 management performance of public housing agencies and resident
5 management corporations under section 6(j) and to monitor
6 assistance provided under this Act. To the maximum extent
7 feasible, the Secretary shall require such information in one
8 report, as part of the annual submission of the agency under
9 subsection (a).

10 **"(d) HUD REVIEW.--**After submission of the public housing
11 agency plan under subsection (a), the Secretary shall--

12 "(1) with respect to the 5-year comprehensive plan
13 under subsection (a)(1)(A), review the plan under the
14 standards described in section 14(e)(2);

15 "(2) with respect to the annual statement under
16 subsection (a)(1)(B), review the statement as required under
17 section 14(e)(3);

18 "(3) with respect to the annual description under
19 subsection (a)(1)(C), not review the description (the
20 Secretary shall review any applications, which may be
21 submitted with the public housing agency plan, as provided
22 in sections 18, 5(h), and 7);

23 "(4) with respect to the annual submission under
24 subsection (a)(1)(D), not review the submission unless the

1 submission has been challenged; where the submission has
2 been challenged, the Secretary shall review the submission
3 to determine only whether the submission sets forth the
4 information required by subsection (a)(1)(D);

5 "(5) with respect to information from troubled agencies
6 under subsection (a)(1)(E) and section 9 information under
7 subsection (a)(1)(F), review such information as necessary
8 or appropriate to carry out the Secretary's responsibilities
9 under section 6(j) and section 9;

10 "(6) with respect to the certifications under
11 subsections (a)(1)(G) and (a)(1)(I), not review the
12 certification unless the certification has been challenged;
13 and, where the certification has been challenged, the
14 Secretary shall review the certification to determine only
15 whether the certification sets forth the information
16 required by subsection (a)(1)(G) or (a)(1)(I), and whether
17 there is any available evidence that tends to challenge in a
18 substantial manner any certification made under those
19 subsections; and

20 "(7) with respect to the certification under
21 subsection (a)(1)(H), review the certification to determine
22 only whether the certification sets forth the information
23 required by such subsection, and whether there is any
24 available evidence that tends to challenge in a substantial
25 manner any certification made under such subsection.

1 **"(e) WAIVER AUTHORITY.--**The Secretary may waive, or specify
2 alternative requirements for, any requirements under this section
3 that the Secretary determines are burdensome or unnecessary for
4 public housing agencies that only administer tenant-based
5 assistance and do not own or operate public housing.".

6 **SEC. 107. PHMAP INDICATORS FOR SMALL PHAS.**

7 Section 6(j)(1) of the United States Housing Act of 1937 is
8 amended by--

9 (1) redesignating subparagraphs (A) through (I) as
10 clauses (i) through (ix);

11 (2) redesignating clauses (1), (2), and (3) in
12 clause (ix), as redesignated by paragraph (1), as subclauses
13 (I), (II), and (III) respectively;

14 (3) in the fourth sentence, inserting immediately
15 before clause (i), as redesignated, the following new
16 subparagraph:

17 "(A) For public housing agencies that own or
18 operate 250 or more public housing dwelling units--";
19 and

20 (4) adding the following new subparagraph at the end:

21 "(B) For public housing agencies that own and
22 operate fewer than 250 public housing dwelling units--

23 "(i) The number and percentage of vacancies
24 within an agency's inventory, including the

1 progress that an agency has made within the
2 previous 3 years to reduce such vacancies.

3 "(ii) The percentage of rents uncollected.

4 "(iii) The ability of the agency to produce
5 and use accurate and timely records of monthly
6 income and expenses and to maintain at least a 3-
7 month reserve.

8 "(iv) The annual inspection of occupied units
9 and the agency's ability to respond to maintenance
10 work orders.

11 "(v) Any one additional factor that the
12 Secretary may determine to be appropriate.".

1 **SEC. 108. PHMAP SELF-SUFFICIENCY INDICATOR.**

2 Section 6(j)(1)(A) of the United States Housing Act of 1937,
3 as amended by section 107 of this Act, is amended at the end by
4 adding the following new clause:

5 "(x) The extent to which the agency coordinates and
6 promotes participation by families in programs that assist
7 them to achieve self-sufficiency."

8 **SEC. 109. EXPANSION OF POWERS FOR DEALING WITH PHAS**
9 **IN SUBSTANTIAL DEFAULT.**

10 **(a) IN GENERAL.**--Section 6(j)(3) of the United States
11 Housing Act of 1937 is amended--

12 (1) in subparagraph (A)--

13 (A) by amending clause (i) to read as
14 follows:

15 "(i) solicit competitive proposals from other public
16 housing agencies and private housing management agents
17 which, in the discretion of the Secretary, may be selected
18 by existing public housing residents through administrative
19 procedures established by the Secretary; if appropriate,
20 these proposals shall provide for such agents to manage all,
21 or part, of the housing administered by the public housing
22 agency or all or part of the other programs of the agency;"

23 (B) by redesignating clause (iv) as clause (v) and
24 amending it to read as follows:

1 "(v) require the agency to make other arrangements
2 acceptable to the Secretary and in the best interests of the
3 public housing residents and families assisted under
4 section 8 for managing all, or part, of the public housing
5 administered by the agency or of the programs of the
6 agency."; and

7 (C) by inserting a new clause (iv) after clause
8 (iii) to read as follows:

9 "(iv) take possession of all or part of the public
10 housing agency, including all or part of any project or
11 program of the agency, including any project or program
12 under any other provision of this title; and"; and

13 (2) by striking subparagraphs (B) through (D) and
14 inserting in lieu thereof the following:

15 "(B)(i) If a public housing agency is identified as troubled
16 under this subsection, the Secretary shall notify the agency of
17 the troubled status of the agency.

18 "(ii) Upon the expiration of the 1-year period beginning on
19 the later of the date on which the agency receives notice from
20 the Secretary of the troubled status of the agency under
21 clause (i) and the date of enactment of the Public Housing
22 Management Reform Act of 1997, the Secretary shall--

23 "(I) in the case of a troubled public housing agency
24 with 1,250 or more units, petition for the appointment of a
25 receiver pursuant to subparagraph (A)(ii); or

1 "(II) in the case of a troubled public housing agency
2 with fewer than 1,250 units, either--

3 "(aa) petition for the appointment of a receiver
4 pursuant to subparagraph (A)(ii); or

5 "(bb) appoint, on a competitive or noncompetitive
6 basis, an individual or entity as an administrative
7 receiver to assume the responsibilities of the
8 Secretary for the administration of all or part of the
9 public housing agency (including all or part of any
10 project or program of the agency), provided the
11 Secretary has taken possession of all or part of the
12 public housing agency (including all or part of any
13 project or program of the agency) pursuant to
14 subparagraph (A)(iv).

15 "(C) If a receiver is appointed pursuant to
16 subparagraph (A)(ii), in addition to the powers accorded by the
17 court appointing the receiver, the receiver--

18 "(i) may abrogate any contract to which the United
19 States or an agency of the United States is not a party
20 that, in the receiver's written determination (which shall
21 include the basis for such determination), substantially
22 impedes correction of the substantial default, but only
23 after the receiver determines that reasonable efforts to
24 renegotiate such contract have failed;

1 "(ii) may demolish and dispose of all or part of the
2 assets of the public housing agency (including all or part
3 of any project of the agency) in accordance with section 18,
4 including disposition by transfer of properties to resident-
5 supported nonprofit entities;

6 "(iii) if determined to be appropriate by the
7 Secretary, may seek the establishment, as permitted by
8 applicable State and local law, of one or more new public
9 housing agencies;

10 "(iv) if determined to be appropriate by the Secretary,
11 may seek consolidation of all or part of the agency
12 (including all or part of any project or program of the
13 agency), as permitted by applicable State and local laws,
14 into other well-managed public housing agencies with the
15 consent of such well-managed agencies; and

16 "(v) shall not be required to comply with any State or
17 local law relating to civil service requirements, employee
18 rights (except civil rights), procurement, or financial or
19 administrative controls that, in the receiver's written
20 determination (which shall include the basis for such
21 determination), substantially impedes correction of the
22 substantial default.

23 "(D)(i) If the Secretary takes possession of all or part of
24 the public housing agency, including all or part of any project

1 or program of the agency, pursuant to subparagraph (A)(iv), the
2 Secretary--

3 "(I) may abrogate any contract to which the United
4 States or an agency of the United States is not a party
5 that, in the written determination of the Secretary (which
6 shall include the basis for such determination),
7 substantially impedes correction of the substantial default,
8 but only after the Secretary determines that reasonable
9 efforts to renegotiate such contract have failed;

10 "(II) may demolish and dispose of all or part of the
11 assets of the public housing agency (including all or part
12 of any project of the agency) in accordance with section 18,
13 including disposition by transfer of properties to resident-
14 supported nonprofit entities;

15 "(III) may seek the establishment, as permitted by
16 applicable State and local law, of one or more new public
17 housing agencies;

18 "(IV) may seek consolidation of all or part of the
19 agency (including all or part of any project or program of
20 the agency), as permitted by applicable State and local
21 laws, into other well-managed public housing agencies with
22 the consent of such well-managed agencies;

23 "(V) shall not be required to comply with any State or
24 local law relating to civil service requirements, employee
25 rights (except civil rights), procurement, or financial or

1 administrative controls that, in the Secretary's written
2 determination (which shall include the basis for such
3 determination), substantially impedes correction of the
4 substantial default; and

5 "(VI) shall, without any action by a district court of
6 the United States, have such additional authority as a
7 district court of the United States would have the authority
8 to confer upon a receiver to achieve the purposes of the
9 receivership.

10 "(ii) If the Secretary, pursuant to
11 subparagraph (B)(ii)(II)(bb), appoints an administrative receiver
12 to assume the responsibilities of the Secretary for the
13 administration of all or part of the public housing agency
14 (including all or part of any project or program of the agency),
15 the Secretary may delegate to the administrative receiver any or
16 all of the powers given the Secretary by this subparagraph, as
17 the Secretary determines to be appropriate.

18 "(iii) Regardless of any delegation under this subparagraph,
19 an administrative receiver may not seek the establishment of one
20 or more new public housing agencies pursuant to clause (i)(III)
21 or the consolidation of all or part of an agency into other well-
22 managed agencies pursuant to clause (i)(IV), unless the Secretary
23 first approves an application by the administrative receiver to
24 authorize such action.

1 "(E) The Secretary may make available to receivers and other
2 entities selected or appointed pursuant to this paragraph such
3 assistance as the Secretary determines in the discretion of the
4 Secretary is necessary and available to remedy the substantial
5 deterioration of living conditions in individual public housing
6 developments or other related emergencies that endanger the
7 health, safety, and welfare of public housing residents or
8 families assisted under section 8. A decision made by the
9 Secretary under this paragraph is not subject to review in any
10 court of the United States, or in any court of any State,
11 territory, or possession of the United States.

12 "(F) In any proceeding under subparagraph (A)(ii), upon a
13 determination that a substantial default has occurred, and
14 without regard to the availability of alternative remedies, the
15 court shall appoint a receiver to conduct the affairs of all or
16 part of the public housing agency in a manner consistent with
17 this Act and in accordance with such further terms and conditions
18 as the court may provide. The receiver appointed may be another
19 public housing agency, a private management corporation, or any
20 other person or appropriate entity. The court shall have power
21 to grant appropriate temporary or preliminary relief pending
22 final disposition of the petition by the Secretary.

23 "(G) The appointment of a receiver pursuant to this
24 paragraph may be terminated, upon the petition of any party, when

1 the court determines that all defaults have been cured or the
2 public housing agency is capable again of discharging its duties.

3 "(H) If the Secretary (or an administrative receiver
4 appointed by the Secretary) takes possession of a public housing
5 agency (including all or part of any project or program of the
6 agency), or if a receiver is appointed by a court, the Secretary
7 or receiver shall be deemed to be acting not in the official
8 capacity of that person or entity, but rather in the capacity of
9 the public housing agency, and any liability incurred, regardless
10 of whether the incident giving rise to that liability occurred
11 while the Secretary or receiver was in possession of all or part
12 of the public housing agency (including all or part of any
13 project or program of the agency), shall be the liability of the
14 public housing agency.".

15 **(b) EFFECTIVENESS.**--The provisions of, and duties and
16 authorities conferred or confirmed by, subsection (a) shall apply
17 with respect to actions taken before, on, or after the effective
18 date of this Act and shall apply to any receivers appointed for a
19 public housing agency before the date of enactment of this Act.

20 **(c) TECHNICAL CORRECTION REGARDING APPLICABILITY TO**
21 **SECTION 8.**--Section 8(h) of the United States Housing Act of 1937
22 is amended by inserting after "6" the following: "(except as
23 provided in section 6(j)(3))".

24 **SEC. 110. PUBLIC HOUSING SITE-BASED WAITING LISTS.**

1 Section 6 of the United States Housing Act of 1937, as
2 amended by section 306(a)(2) of this Act, is amended by inserting
3 the following new subsection at the end:

4 "(q) A public housing agency may establish, in accordance
5 with guidelines established by the Secretary, procedures for
6 maintaining waiting lists for admissions to public housing
7 developments of the agency, which may include a system whereby
8 applicants may apply directly at or otherwise designate the
9 development or developments in which they seek to reside. All
10 such procedures must comply with all provisions of title VI of
11 the Civil Rights Act of 1964, the Fair Housing Act, and other
12 applicable civil rights laws."

13 **SEC. 111. COMMUNITY SERVICE REQUIREMENTS FOR**

14 **THE PUBLIC HOUSING AND SECTION 8 PROGRAMS.**

15 Section 12 of the United States Housing Act of 1937 is
16 amended by adding at the end the following new subsection:

17 **"(c) COMMUNITY SERVICE REQUIREMENTS FOR THE PUBLIC HOUSING**
18 **AND SECTION 8 PROGRAMS.**

19 **"(1) IN GENERAL.--**Notwithstanding any other provision of
20 law, each adult member of each family residing in public housing
21 or assisted under section 8 shall, without compensation,
22 participate, for not less than 8 hours per month, in community
23 service activities (not to include any political activity) within
24 the community in which that adult resides.

1 **"(2) EXEMPTIONS.--**The requirement in paragraph (1) shall not
2 apply to any adult who is--

3 "(A) at least 62 years of age;

4 "(B) a person with disabilities who is unable, as
5 determined in accordance with guidelines established by the
6 Secretary, to comply with this subsection;

7 "(C) working at least 20 hours per week, a student,
8 receiving vocational training, or otherwise meeting work,
9 training, or educational requirements of a public assistance
10 program other than the program specified in subparagraph
11 (E);

12 "(D) a single parent, grandparent, or the spouse of an
13 otherwise exempt individual, who is the primary caretaker of
14 one or more--

15 (i) children who are 6 years of age or younger;

16 (ii) persons who are at least 62 years of age; or

17 (iii) persons with disabilities; or

18 "(E) in a family receiving assistance under the
19 Temporary Assistance for Needy Families program under part A
20 of title IV of the Social Security Act.".

21 **SEC. 112. COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM**

22 **STREAMLINING.**

23 (a) Section 14(d) of the United States Housing Act of 1937
24 is amended to read as follows:

1 "(d) No assistance may be made available under
2 subsection (b) to a public housing agency that owns or operates
3 fewer than 250 public housing units unless the agency has
4 submitted a comprehensive plan in accordance with subsection
5 (e)(1) and the Secretary has approved it in accordance with
6 subsection (e)(2). The assistance shall be allocated to
7 individual agencies on the basis of a formula established by the
8 Secretary."

9 (b) Section 14 (f)(1) is repealed.

10 (c) Section 14 (g) is amended by striking "(d)(3)" and
11 inserting "(d)".

12 (d) Section 14(h) is repealed.

13 (e) Section 14(i) is repealed.

14 (f) Section 14(k)(1) is amended by striking "\$75,000,000"
15 and inserting "\$100,000,000".

16 **SEC. 113. FLEXIBILITY FOR PHA FUNDING.**

17 **(a) EXPANSION OF USES OF FUNDING.**--Section 14(q)(1) of the
18 United States Housing Act of 1937 is amended--

19 (1) in the first sentence, by inserting after

20 "section 5," the following "by section 24,";

21 (2) in the first sentence, by inserting after "public
22 housing agency," the following: "except for the provision
23 of tenant-based assistance,"; and

24 (3) by inserting at the end the following:

1 "Notwithstanding the foregoing, (i) a public housing agency that
2 owns or operates fewer than 250 units may use modernization
3 assistance provided under section 14, development assistance
4 provided under section 5(a), and operating subsidy provided under
5 section 9, for any eligible activity authorized by this Act or by
6 applicable appropriations Acts for a public housing agency,
7 except for assistance under section 8, and (ii) any agency
8 determined to be a troubled agency under section 6(j) may use
9 amounts not appropriated under section 9 for any operating
10 subsidy purpose authorized in section 9 only with the approval of
11 the Secretary."

12 **(b) MIXED-FINANCE DEVELOPMENT.**--Section 14(q)(2) of such Act
13 is amended to read as follows:

14 "(2) A public housing agency may use capital or operating
15 assistance provided under section 5, 14, or 9 of this Act, or
16 under applicable Appropriations Acts for a public housing agency,
17 to assist public housing units in a development that is owned by
18 the public housing agency or other legal entity approved by the
19 Secretary and that may include units other than public housing
20 units ("mixed-finance development"). The public housing units in
21 a mixed-finance development shall be developed, operated, and
22 maintained as public housing in accordance with the requirements
23 of this Act during the period required by law. The Secretary may
24 waive regulatory and other requirements established by the

1 Secretary under this Act governing the development, management,
2 and operation of public housing units to the extent necessary to
3 allow a public housing agency to undertake or permit measures
4 that enhance the viability of the public housing units included
5 in a mixed-finance development. A public housing agency may, in
6 accordance with guidelines established by the Secretary, provide
7 capital assistance to a mixed-finance development in the form of
8 a grant, loan, or other form of investment in the project, which
9 may involve the drawdown of funds on a schedule commensurate with
10 construction draws for deposit into an interest earning escrow
11 account to serve as collateral or credit enhancement for bonds
12 issued by a public agency for the construction or rehabilitation
13 of the development.".

14 **(c) CONFORMING AMENDMENTS.**--Section 14(q) of such Act is
15 amended--

16 (1) in paragraph (3), by striking "mixed income" and
17 inserting "mixed-finance"; and

18 (2) in paragraph (4), by striking "mixed-income
19 project" and inserting "mixed-finance development".

20 **(d) APPLICABILITY.**--Section 14(q) of the United States
21 Housing Act of 1937, as amended by this section, shall be
22 effective with respect to any assistance provided to the public
23 housing agency under sections 5 and 14 of the United States

1 Housing Act of 1937 and applicable appropriations Acts for a
2 public housing agency.

3 **SEC. 114. REPLACEMENT HOUSING RESOURCES.**

4 **(a) OPERATING FUND.**--Section 9(a)(3)(B) of the United States
5 Housing Act of 1937 is amended--

6 (1) at the end of clause (iv), by striking "and";

7 (2) at the end of clause (v), by striking the period
8 and inserting "; and"; and

9 (3) by inserting at the end the following:

10 "(vi) where an existing unit under a contract is
11 demolished or disposed of, the Secretary shall adjust the
12 amount the public housing agency receives under this
13 section; notwithstanding this requirement, the Secretary
14 shall provide assistance under this section for any
15 replacement housing that is available for occupancy within
16 five years of the demolition or disposition, is public
17 housing developed under this Act or is developed without
18 assistance under this Act but is operated as public housing,
19 and meets other requirements established by the Secretary.".

20 **(b) COMPREHENSIVE GRANT PROGRAM.**--Section 14(k)(2)(D)(ii) of
21 such Act is amended to read as follows:

22 "(ii) Where an existing unit under a contract is demolished
23 or disposed of, the Secretary shall adjust the amount the agency
24 receives under the formula. Notwithstanding the preceding

1 sentence, for the five-year period after demolition or
2 disposition, the Secretary may provide for no adjustment, or a
3 partial adjustment, of the amount the agency receives under the
4 formula and shall require the agency to use any additional amount
5 received as a result of this sentence for replacement housing or
6 physical improvements necessary to preserve viable public
7 housing.".

8 **SEC. 115. REPEAL OF ONE-FOR-ONE REPLACEMENT HOUSING REQUIREMENT.**

9 Section 1002(d) of Public Law 104-19 is amended by striking
10 "and on or before September 30, 1997".

11 **SEC. 116. DEMOLITION, SITE REVITALIZATION, REPLACEMENT**

12 **HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR**
13 **DEVELOPMENTS.**

14 Section 24 of the United States Housing Act of 1937 is
15 amended--

16 (1) by amending the heading to read as follows:

17 **"DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND**
18 **TENANT-BASED ASSISTANCE GRANTS FOR DEVELOPMENTS";**

19 (2) by amending subsections (a) through (c) to read as
20 follows:

21 **"(a) PURPOSE.--**The purpose of this section is to provide
22 assistance to public housing agencies for the purposes of--

23 "(1) reducing the density and improving the living
24 environment for public housing residents of severely

1 distressed public housing through the demolition of obsolete
2 public housing developments (or portions thereof);

3 "(2) revitalizing sites (including remaining public
4 housing dwelling units) on which such public housing
5 developments are located and contributing to the improvement
6 of the surrounding neighborhood;

7 "(3) providing housing that will avoid or decrease the
8 concentration of very low-income families; and

9 "(4) providing tenant-based assistance in accordance
10 with the provisions of section 8 for the purpose of
11 providing replacement housing and assisting residents to be
12 displaced by the demolition.

13 **"(b) GRANT AUTHORITY.--**The Secretary may make grants
14 available to public housing agencies as provided in this section.

15 **"(c) CONTRIBUTION REQUIREMENT.--**The Secretary may not make
16 any grant under this section to any applicant unless the
17 applicant supplements the amount of assistance provided under
18 this section (other than amounts provided for demolition or
19 tenant-based assistance) with an amount of funds from sources
20 other than this Act equal to not less than 5 percent of the
21 amount provided under this section, including amounts from other
22 Federal sources, any State or local government sources, any
23 private contributions, and the value of any in-kind services or
24 administrative costs provided.";

1 (3) by amending subsection (d)(1) to read as follows:

2 **"(1) IN GENERAL.--**The Secretary may make grants under
3 this subsection to applicants for the purpose of carrying
4 out demolition, revitalization, and replacement programs for
5 severely distressed public housing under this section. The
6 Secretary may make a grant for the revitalization or
7 replacement of public housing only if the agency
8 demonstrates that the neighborhood is or will be a viable
9 residential community, as defined by the Secretary, after
10 completion of the work assisted under this section and any
11 other neighborhood improvements planned by the State or
12 local government or otherwise to be provided. The Secretary
13 may approve grants providing assistance for one eligible
14 activity or a combination of eligible activities under this
15 section, including assistance only for demolition and
16 assistance only for tenant-based assistance in accordance
17 with the provisions of section 8.";

18 (4) in subsection (d)(2)(B)--

19 (A) by striking "the redesign" and inserting "the
20 abatement of environmental hazards, demolition,
21 redesign"; and

22 (B) by striking "is located" and inserting "is or
23 was located";

1 (5) in subsection (d)(2), by redesignating
2 subparagraphs (C) through (I) as subparagraphs (D) through
3 (J), respectively, and inserting the following new
4 subparagraph after subparagraph (B):

5 "(C) replacement housing, which shall consist of public
6 housing, homeownership units as permitted under the HOPE VI
7 program (as previously authorized in appropriations Acts),
8 tenant-based assistance in accordance with the provisions of
9 section 8, or a combination;"

10 (6)(A) in subsection (G), as redesignated by
11 paragraph (5), by inserting before the semicolon the
12 following: "and any necessary supportive services, except
13 that not more than 15 percent of any grant under this
14 subsection may be used for such purposes.";

15 (B) by inserting "and" at the end of subsection (H), as
16 redesignated by paragraph (4); and

17 (C) by striking the semicolon at the end of subsection
18 (I), as redesignated by paragraph (4), and all that follows
19 up to the period;

20 (7) in paragraph (3), by striking the second sentence;

21 (8) by amending subsection (d)(4) to read as follows:

1 **"(4) SELECTION CRITERIA.**

2 **"(A) APPLICATIONS FOR DEMOLITION.--**The Secretary shall
3 establish selection criteria for applications that request
4 assistance only for demolition, which shall include--

5 (i) the need for demolition, taking into account
6 the effect of the distressed development on the public
7 housing agency and the community;

8 (ii) the extent to which the public housing
9 agency is not able to undertake such activities without
10 a grant under this section; and

11 (iii) such other factors as the Secretary
12 determines appropriate.

13 **"(B) APPLICATIONS FOR DEMOLITION, REVITALIZATION, AND**
14 **REPLACEMENT.--**The Secretary shall establish selection
15 criteria for applications that request assistance for a
16 combination of eligible activities, which shall include--

17 (i) the relationship of the grant to the
18 comprehensive plan for the locality;

19 (ii) the extent to which the grant will result in
20 a viable development which will foster the economic and
21 social integration of public housing residents and the
22 extent to which the development will enhance the
23 community;

1 "(iii) the capability and record of the applicant
2 public housing agency, its development team, or any
3 alternative management agency for the agency, for
4 managing large-scale redevelopment or modernization
5 projects, meeting construction timetables, and
6 obligating amounts in a timely manner;

7 "(iv) the extent to which the public housing
8 agency is not able to undertake such activities without
9 a grant under this section;

10 "(v) the extent of involvement of residents, State
11 and local governments, private service providers,
12 financing entities, and developers, in the development
13 of a revitalization program for the development;

14 "(vi) the amount of funds and other resources to
15 be leveraged by the grant; and

16 "(vii) such other factors as the Secretary
17 determines appropriate."

18 **"(C) APPLICATIONS FOR TENANT-BASED ASSISTANCE.--**

19 Notwithstanding any other provision of this subsection, the
20 Secretary may allocate tenant-based assistance under this
21 section on a non-competitive basis in connection with the
22 demolition or disposition of public housing.";

23 (9) by amending subsection (e) to read as follows:

1 **"(e) LONG TERM VIABILITY.--**The Secretary may waive or revise
2 rules established under this Act governing the development,
3 management, and operation of public housing units, to permit a
4 public housing agency to undertake measures that enhance the
5 long-term viability of a severely distressed public housing
6 project revitalized under this section.";

7 (10) in subsection (f)--

8 (A) by striking "OTHER" and all that follows
9 through "(1)";

10 (B) by striking paragraph (2); and

11 (C) by redesignating subparagraphs (A) and (B) as
12 paragraphs (1) and (2);

13 (11) by striking subsections (g) and (i) and
14 redesignating subsection (h) as subsection (j);

15 (12) by inserting the following new subsections after
16 subsection (f):

17 **"(g) ADMINISTRATION BY OTHER ENTITIES.--**The Secretary may
18 require a grantee under this section to make arrangements
19 satisfactory to the Secretary for use of an entity other than the
20 public housing agency to carry out activities assisted under the
21 revitalization plan, if the Secretary determines that such action
22 will help to effectuate the purposes of this section.

23 **"(h) TIMELY EXPENDITURES.**

1 **"(1) WITHDRAWAL OF FUNDING.--**If a grantee under this section
2 or under the HOPE VI program does not sign the primary
3 construction contract for the work included in the grant
4 agreement within 18 months from the date of the grant agreement,
5 the Secretary shall withdraw any grant amounts under the grant
6 agreement which have not been obligated by the grantee. The
7 Secretary shall redistribute any withdrawn amounts to one or more
8 applicants eligible for assistance under this section. The
9 Secretary may grant an extension of up to one additional year
10 from the date of enactment of this Act if the 18-month period has
11 expired as of the date of enactment, for delays caused by factors
12 beyond the control of the grantee.

13 **"(2) COMPLETION.--**A grant agreement under this section shall
14 provide for interim checkpoints and for completion of physical
15 activities within four years of execution, and the Secretary
16 shall enforce these requirements through default remedies up to
17 and including withdrawal of funding. The Secretary may, however,
18 provide for a longer timeframe, but only when necessary due to
19 factors beyond the control of the grantee.

20 **"(3) INAPPLICABILITY.--**This subsection shall not apply to
21 grants for tenant-based assistance under section 8.

22 **"(i) INAPPLICABILITY OF SECTION 18.--**Section 18 shall not
23 apply to the demolition of developments removed from the
24 inventory of the public housing agency under this section.";

1 (13) by amending subsection (j)(1), as redesignated by
2 paragraph (11)--

3 (A) in subparagraph (C), by inserting after
4 "nonprofit organization," the following: "private
5 program manager, a partner in a mixed-finance
6 development,";

7 (B) at the end of subparagraph (B), after the
8 semicolon, by inserting "and"; and

9 (C) at the end of subparagraph (C), by striking
10 "; and" and all that follows up to the period;

11 (14) by amending subsection (j)(5), as redesignated by
12 paragraph (11)--

13 (A) in subparagraph (A)--

14 (i) by striking "(i)";

15 (ii) by striking clauses (ii) through (iv);

16 and

17 (iii) by inserting after "physical plant of
18 the project" the following: ", where such distress
19 cannot be remedied through assistance under
20 section 14 because of inadequacy of available
21 funding";

22 (B) by amending subparagraph (A), as amended by
23 subparagraph (A) of this paragraph (14), by striking
24 "appropriately" and inserting "inappropriately"; and

1 (C) by amending subparagraph (B) to read as
2 follows:

3 "(B) that was a project as described in
4 subparagraph (A) that has been demolished, but for
5 which the Secretary has not provided replacement
6 housing assistance (other than tenant-based
7 assistance).";

8 (15) by inserting at the end of subsection (j), as
9 redesignated by paragraph (11), the following new paragraph:

10 **"(6) SUPPORTIVE SERVICES.--**The term `supportive
11 services' includes all activities that will promote upward
12 mobility, self-sufficiency, and improved quality of life for
13 the residents of the public housing development involved,
14 including literacy training, job training, day care, and
15 economic development activities."; and

16 (16) by inserting the following new subsection at the
17 end:

18 **"(k) FUNDING.**

19 **"(1) AUTHORIZATION OF APPROPRIATIONS.--**There are authorized
20 to be appropriated for grants under this section \$524,000,000 for
21 fiscal year 1998 and such sums as may be necessary for each of
22 fiscal years 1999 through 2002.

23 **"(2) TECHNICAL ASSISTANCE AND PROGRAM OVERSIGHT.--**Of the
24 amount appropriated pursuant to paragraph (1) for any fiscal

1 year, the Secretary may use up to 2.5 percent for technical
2 assistance, program oversight, and fellowships for on-site public
3 housing agency assistance and supplemental education. Technical
4 assistance may be provided directly or indirectly by grants,
5 contracts, or cooperative agreements, and may include training,
6 and the cost of necessary travel for participants in such
7 training, by or to officials of the Department of Housing and
8 Urban Development, of public housing agencies, and of residents.
9 The Secretary may use amounts under this paragraph for program
10 oversight to contract with private program and construction
11 management entities to assure that development activities are
12 carried out in a timely and cost-effective manner.".

13 **SEC. 117. PERFORMANCE EVALUATION BOARD.**

14 **(a) ESTABLISHMENT.**

15 There is hereby established a performance evaluation board
16 to assist the Secretary of Housing and Urban Development in
17 improving and monitoring the system for evaluation of public
18 housing authority performance, including by studying and making
19 recommendations to the Secretary on the most effective, efficient
20 and productive method or methods of evaluating the performance of
21 public housing agencies, consistent with the overall goal of
22 improving management of the public housing program.

23 **(b) MEMBERSHIP.**

1 **(1) IN GENERAL.**--The board shall be composed of at
2 least seven members with relevant experience who shall be
3 appointed by the Secretary as soon as practicable, but not
4 later than 90 days after enactment of this Act.

5 **(2) APPOINTMENTS.**--In appointing members of the board,
6 the Secretary shall assure that each of the background areas
7 set forth in paragraph (3) are represented.

8 **(3) BACKGROUNDS.**--Background areas to be represented
9 are--

10 (A) major public housing organizations;

11 (B) public housing resident organizations;

12 (C) real estate management, finance, or
13 development entities; and

14 (D) units of general local government.

15 **(c) BOARD PROCEDURES.**

16 **(1) CHAIRPERSON.**--The Secretary shall appoint a
17 chairperson from among members of the board.

18 **(2) QUORUM.**--A majority of the members of the board
19 shall constitute a quorum for the transaction of business.

20 **(3) VOTING.**--Each member of the board shall be entitled
21 to one vote, which shall be equal to the vote of each other
22 member of the board.

23 **(4) PROHIBITION OF ADDITIONAL PAY.**--Members of the
24 board shall serve without compensation, but shall be

1 reimbursed for travel, subsistence, and other necessary
2 expenses incurred in the performance of their duties as
3 members of the board.

4 **(d) POWERS.**

5 **(1) HEARINGS.**--The board may, for the purpose of
6 carrying out this section, hold such hearings and sit and
7 act at such times and places as the board determines
8 appropriate.

9 **(2) ASSISTANCE FROM FEDERAL AGENCIES.**

10 **(A) INFORMATION.**--The board may request from any
11 agency of the United States, and such agency is
12 authorized to provide, such data and information as the
13 board may require for carrying out its functions.

14 **(B) STAFF SUPPORT.**--Upon request of the
15 chairperson of the board, to assist the board in
16 carrying out its duties under this section, the
17 Secretary may--

18 (i) provide an executive secretariat;

19 (ii) assign by detail or otherwise any of the
20 personnel of the Department of Housing and Urban
21 Development; and

22 (iii) obtain by personal services contracts
23 or otherwise any technical or other assistance
24 needed to carry out this section.

1 **(e) ADVISORY COMMITTEE.**

2 The board shall be considered an advisory committee within
3 the meaning of the Federal Advisory Committee Act
4 (5 U.S.C. App.).

5 **(f) FUNCTIONS.**

6 The board shall, as needed--

7 (1) examine and assess the need for further
8 modifications to or replacement of the Public Housing
9 Management Assessment program, established by the Secretary
10 under section 6(j) of the United States Housing Act of 1937;

11 (2) examine and assess models used in other industries
12 or public programs to assess the performance of recipients
13 of assistance, including accreditation systems, and the
14 applicability of those models to public housing;

15 (3) develop (either itself, or through another body)
16 standards for professional competency for the public housing
17 industry, including methods of assessing the qualifications
18 of employees of public housing authorities, such as systems
19 for certifying the qualifications of employees;

20 (4) develop a system for increasing the use of on-site
21 physical inspections of public housing developments; and

22 (5) develop a system for increasing the use of
23 independent audits, as part of the overall system for
24 evaluating the performance of public housing agencies.

1 **(g) REPORTS.**

2 (1) Not later than the expiration of the three-month period
3 beginning upon the appointment of the seventh member of the
4 board, and one year from such appointment, the board shall issue
5 interim reports to the Secretary on its activities. The board
6 shall make its final report and recommendations one year after
7 its second interim report is issued. The final report shall
8 include findings and recommendations of the board based upon the
9 functions carried out under this section.

10 (2) After the board issues its final report, it may be
11 convened by its chair, upon the request of the Secretary, to
12 review implementation of the performance evaluation system and
13 for other purposes.

14 **(h) TERM.**

15 The duration of the board shall be seven years.

16 **(i) FUNDING.**

17 The Secretary is authorized to use any amounts appropriated
18 under the head Preserving Existing Housing Investment, or
19 predecessor or successor appropriation accounts, without regard
20 to any earmarks of funding, to carry out this section.

21 **SEC. 118. ECONOMIC DEVELOPMENT AND SUPPORTIVE SERVICES FOR PUBLIC**
22 **HOUSING RESIDENTS.**

23 The United States Housing Act of 1937 is amended by adding
24 the following new section after section 27:

1 **"SEC. 28. ECONOMIC DEVELOPMENT AND SUPPORTIVE SERVICES**

2 **FOR PUBLIC HOUSING RESIDENTS.**

3 **"(a) IN GENERAL.--**To the extent provided in advance in
4 appropriations Acts, the Secretary shall make grants for the
5 purposes of providing a program of supportive services and
6 resident self-sufficiency activities to enable residents of
7 public housing to become economically self-sufficient and to
8 assist elderly persons and persons with disabilities to maintain
9 independent living, to the following eligible applicants:

10 "(1) public housing agencies;

11 "(2) resident councils;

12 "(3) resident management corporations or other eligible
13 resident entities defined by the Secretary;

14 "(4) other applicants, as determined by the Secretary;

15 and

16 "(5) any partnership of eligible applicants.

17 **"(b) ELIGIBLE ACTIVITIES.--**Grantees under this section may
18 use grants for the provision of supportive service, economic
19 development, and self-sufficiency activities conducted primarily
20 for public housing residents in a manner that is easily
21 accessible to those residents. Such activities shall include--

22 "(1) the provision of service coordinators and case
23 managers;

1 "(2) the provision of services related to work
2 readiness, including education, job training and counseling,
3 job search skills, business development training and
4 planning, tutoring, mentoring, adult literacy, computer
5 access, personal and family counseling, health screening,
6 work readiness health services, transportation, and child
7 care;

8 "(3) economic and job development, including employer
9 linkages and job placement, and the start-up of resident
10 microenterprises, community credit unions, and revolving
11 loan funds, including the licensing, bonding and insurance
12 needed to operate such enterprises;

13 "(4) resident management activities, including related
14 training and technical assistance; and

15 "(5) other activities designed to improve the self-
16 sufficiency of residents, as may be determined in the sole
17 discretion of the Secretary.

18 **"(c) FUNDING DISTRIBUTION.**

19 **"(1) IN GENERAL.**--After reserving such amounts as the
20 Secretary determines to be necessary for technical assistance and
21 clearinghouse services under subsection (d), the Secretary shall
22 distribute any remaining amounts made available under this
23 section on a competitive basis. The Secretary may set a cap on
24 the maximum grant amount permitted under this section, and may

1 limit applications for grants under this section to selected
2 applicants or categories of applicants.

3 **"(2) SELECTION CRITERIA.--**The Secretary shall establish
4 selection criteria for applications that request assistance for
5 one or more eligible activities under this section, which shall
6 include--

7 "(A) the demonstrated capacity of the applicant to
8 carry out a program of supportive services or resident
9 empowerment activities;

10 "(B) the amount of funds and other resources to be
11 leveraged by the grant;

12 "(C) the extent to which the grant will result in a
13 quality program of supportive services or resident
14 empowerment activities;

15 "(D) the extent to which any job training and placement
16 services to be provided are coordinated with the provision
17 of such services under the Job Training Partnership Act and
18 the Wagner-Peyser Act; and

19 "(E) such other factors as the Secretary determines
20 appropriate.

21 **"(3) MATCHING REQUIREMENT.--**The Secretary may not make any
22 grant under this section to any applicant unless the applicant
23 supplements every dollar provided under this subsection with an
24 amount of funds from sources other than this section equal to at

1 least twice the amount provided under this subsection, including
2 amounts from other Federal sources, any State or local government
3 sources, any private contributions, and the value of any in-kind
4 services or administrative costs provided. Of the supplemental
5 funds furnished by the applicant, not more than 50 percent may be
6 in the form of in-kind services or administrative costs provided.

7 **"(d) FUNDING FOR TECHNICAL ASSISTANCE.--**The Secretary may
8 set aside a portion of the amounts appropriated under this
9 section, to be provided directly or indirectly by grants,
10 contracts, or cooperative agreements, for technical assistance,
11 which may include training and cost of necessary travel for
12 participants in such training, by or to officials and employees
13 of the Department and of public housing agencies, and to
14 residents and to other eligible grantees, and for clearinghouse
15 services in furtherance of the goals and activities of this
16 section.

17 **"(e) CONTRACT ADMINISTRATORS.--**The Secretary may require
18 resident councils, resident management corporations, or other
19 eligible entities defined by the Secretary to utilize public
20 housing agencies or other qualified organizations as contract
21 administrators with respect to grants provided under this
22 section.".

23 **SEC. 119. PENALTY FOR SLOW EXPENDITURE OF MODERNIZATION FUNDS.**

1 Section 14(k)(5) of the United States Housing Act of 1937 is
2 amended to read as follows:

3 "(5)(A) A public housing agency shall obligate any
4 assistance received under this section within 18 months of the
5 date funds become available to the agency for obligation. The
6 Secretary may extend this time period by no more than one year if
7 an agency's failure to obligate such assistance in a timely
8 manner is attributable to events beyond the control of the
9 agency. The Secretary may also provide an exception for de
10 minimis amounts to be obligated with the next year's funding; an
11 agency that owns or administers fewer than 250 public housing
12 units, to the extent necessary to permit the agency to accumulate
13 sufficient funding to undertake activities; and any agency, to
14 the extent necessary to permit the agency to accumulate
15 sufficient funding to provide replacement housing.

16 "(B) A public housing agency shall not be awarded assistance
17 under this section for any month in a year in which it has funds
18 unobligated, in violation of subparagraph (A). During such a
19 year, the Secretary shall withhold all assistance which would
20 otherwise be provided to the agency. If the agency cures its
21 default during the year, it shall be provided with the share
22 attributable to the months remaining in the year. Any funds not
23 so provided to the agency shall be provided to high-performing
24 agencies as determined under section 6(j).

1 "(C) If the Secretary has consented, before the date of
2 enactment of the Public Housing Management Reform Act of 1997, to
3 an obligation period for any agency longer than provided under
4 this paragraph, an agency which obligates its funds within such
5 extended period shall not be considered to be in violation of
6 subparagraph (A). Notwithstanding any prior consent of the
7 Secretary, however, all funds appropriated in fiscal year 1995
8 and prior years shall be fully obligated by the end of fiscal
9 year 1998, and all funds appropriated in fiscal years 1996 and
10 1997 shall be fully obligated by the end of fiscal year 1999.

11 "(D) A public housing agency shall spend any assistance
12 received under this section within four years (plus the period of
13 any extension approved by the Secretary under subparagraph (A))
14 of the date funds become available to the agency for obligation.
15 The Secretary shall enforce this requirement through default
16 remedies up to and including withdrawal of the funding. Any
17 obligation entered into by an agency shall be subject to the
18 right of the Secretary to recapture the amounts for violation by
19 the agency of the requirements of this subparagraph.".

20 **SEC. 120. DESIGNATION OF PHAS AS TROUBLED.**

21 (a) Section 6(j)(1)(A) of the United States Housing Act of
22 1937, as amended by sections 107 and 108, is further amended--

23 (1) in subparagraph (A), by inserting the following
24 after clause (x):

1 "(xi) Whether the agency is providing acceptable basic
2 housing conditions, as determined by the Secretary."; and

3 (2) in subparagraph (B)--

4 (A) by redesignating clause (v) as clause (vi);

5 and

6 (B) by inserting the following after clause (iv):

7 "(v) Whether the agency is providing acceptable basic
8 housing conditions, as determined by the Secretary.".

9 (b) Section 6(j)(2)(A)(i) of such Act is amended by
10 inserting the following after the first sentence:
11 "Such procedures shall provide that an agency that does not
12 provide acceptable basic housing conditions shall be designated a
13 troubled public housing agency.".

14 (c) Section 6(j)(2)(A)(i) of such Act is amended in the
15 first sentence--

16 (1) by inserting before "the performance indicators"
17 the subclause designation "(I)"; and

18 (2) by inserting before the period the following:
19 "; or (II) such other evaluation system as is determined by the
20 Secretary to assess the condition of the public housing agency or
21 resident management corporation, which system may be in addition
22 to or in lieu of the performance indicators established under
23 paragraph (1)".

24 **SEC. 121. VOLUNTEER SERVICES UNDER THE 1937 ACT.**

1 **(a) IN GENERAL.**--Section 12(b) of the United States Housing
2 Act of 1937 is amended by striking "that--" and all that follows
3 up to the period and inserting "who performs volunteer services
4 in accordance with the requirements of the Community Improvement
5 Volunteer Act of 1994".

6 **(b) CIVA AMENDMENT.**--Section 7305 of the Community
7 Improvement Volunteer Act of 1994 is amended--

8 (1) in paragraph (5), by striking "and" after the
9 semicolon;

10 (2) in paragraph (6), by striking the period and
11 inserting "; and"; and

12 (3) by inserting the following paragraph after
13 paragraph (6):

14 "(7) the United States Housing Act of 1937.".

15 **SEC. 122. AUTHORIZATION OF APPROPRIATIONS FOR OPERATION SAFE HOME**
16 **PROGRAM.**

17 There are authorized to be appropriated to carry out the
18 Operation Safe Home program \$20,000,000 for fiscal year 1998 and
19 such sums as may be necessary for fiscal years 1999, 2000, 2001,
20 and 2002.

21 **TITLE II--SECTION 8 STREAMLINING**
22 **AND OTHER PROGRAM IMPROVEMENTS**

23 **SEC. 201. PERMANENT REPEAL OF FEDERAL PREFERENCES.**

1 (a) Notwithstanding section 402(f) of The Balanced Budget
2 Downpayment Act, I, the amendments made by section 402(d) of that
3 Act shall remain in effect after fiscal year 1997, except that
4 the amendments made by sections 402(d)(3) and 402(d)(6)(A)(iii),
5 (iv), and (vi) of such Act shall remain in effect as amended by
6 sections 203 and 116 of this Act, and section 402(d)(6)(v) shall
7 be repealed by the amendments made to section 16 of the United
8 States Housing Act of 1937 by section 202 of this Act.

9 (b) Section 6(c)(4)(A) of the United States Housing Act of
10 1937, as amended by section 402(d)(1) of The Balanced Budget
11 Downpayment Act, I, is amended by striking "is" and all that
12 follows through "Act" and inserting the following:
13 "shall be based upon local housing needs and priorities, as
14 determined by the public housing agency using generally accepted
15 data sources, including any information obtained pursuant to an
16 opportunity for public comment under this subparagraph, under
17 section 5A(b), and under the requirements of the approved
18 Consolidated Plan for the locality".

19 (c) Section 8(d)(1)(A) of the United States Housing Act of
20 1937, as amended by section 402(d)(2) of The Balanced Budget
21 Downpayment Act, I, is amended by striking "is" and all that
22 follows through "Act" and inserting the following:
23 "shall be based upon local housing needs and priorities, as
24 determined by the public housing agency using generally accepted
25 data sources, including any information obtained pursuant to an

1 opportunity for public comment under this subparagraph, under
2 section 5A(b), and under the requirements of the approved
3 Consolidated Plan for the locality".

4 **SEC. 202. INCOME TARGETING FOR PUBLIC HOUSING AND**

5 **SECTION 8 PROGRAMS.**

6 (a) Section 16 of the United States Housing Act of 1937 is
7 amended by revising the heading and subsections (a) through (c)
8 to read as follows:

9 **"SEC. 16. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.**

10 **"(a) PUBLIC HOUSING.**

11 **"(1) PROGRAM REQUIREMENT.--**Of the public housing units of a
12 public housing agency made available for occupancy by eligible
13 families in any fiscal year of the agency--

14 "(A) at least 40 percent shall be occupied by families
15 whose incomes do not exceed 30 percent of the median income
16 for the area; and

17 "(B) at least 90 percent shall be occupied by families
18 whose incomes do not exceed 60 percent of the median income
19 for the area.

20 **"(2) DEVELOPMENT REQUIREMENT.--**At least 40 percent of the
21 units in each public housing development shall be occupied by
22 families with incomes which are less than 30 percent of the
23 median income for the area, except that no family may be required
24 to move to achieve compliance with this requirement.

1 **"(b) SECTION 8 ASSISTANCE.**

2 **"(1) TENANT-BASED, MODERATE REHABILITATION, AND PROJECT-**
3 **BASED CERTIFICATE ASSISTANCE.--**In any fiscal year of a public
4 housing agency, at least 75 percent of all families who initially
5 receive tenant-based assistance from the agency, assistance under
6 the moderate rehabilitation program of the agency, or assistance
7 under the project-based certificate program of the agency shall
8 be families whose incomes do not exceed 30 percent of the median
9 income for the area.

10 **"(2) PROJECT-BASED ASSISTANCE.--**Of the dwelling units in a
11 project receiving section 8 assistance, other than assistance
12 described in paragraph (1), that are made available for occupancy
13 by eligible families in any year (as determined by the
14 Secretary)--

15 "(A) at least 40 percent shall be occupied by
16 families whose incomes do not exceed 30 percent of the
17 median income for the area; and

18 "(B) at least 90 percent shall be occupied by
19 families whose incomes do not exceed 60 percent of the
20 median income for the area.

21 **"(c) DEFINITION OF AREA MEDIAN INCOME.--**The term 'area
22 median income', as used in subsections (a) and (b), refers to the
23 median income of an area, as determined by the Secretary, with
24 adjustments for smaller and larger families, except that the

1 Secretary may establish income ceilings higher or lower than the
2 percentages specified in subsections (a) and (b) if the Secretary
3 determines that such variations are necessary because of
4 unusually high or low family incomes."

5 (b) Section 16 of the United States Housing Act of 1937, as
6 amended by this section, is further amended by inserting the
7 following new heading after subsection designation (d):
8 "APPLICABILITY.--".

9 **SEC. 203. MERGER OF TENANT-BASED ASSISTANCE PROGRAMS.**

10 (a) Section 8(o) of the United States Housing Act of 1937 is
11 amended to read as follows:

12 **"(o) RENTAL CERTIFICATES.--**(1) A public housing agency may
13 only enter into contracts for tenant-based rental assistance
14 under this Act pursuant to this subsection. The Secretary may
15 provide rental assistance using a payment standard in accordance
16 with this subsection. The payment standard shall be used to
17 determine the monthly assistance which may be paid for any
18 family.

19 "(2)(A) The payment standard may not exceed the
20 FMR/exception rent limit. The payment standard may not be less
21 than 80 percent of the FMR/exception rent limit.

22 "(B) The term `FMR/exception rent limit' means the section 8
23 existing housing fair market rent published by HUD in accordance
24 with subsection (c)(1) or any exception rent approved by HUD for

1 a designated part of the fair market rent area. HUD may approve
2 an exception rent of up to 120 percent of the published fair
3 market rent.

4 "(3)(A) For assistance under this subsection provided by a
5 public housing agency on and after October 1, 1998, to the extent
6 approved in appropriations Acts, the monthly assistance payment
7 for any family that moves to another unit in another complex or
8 moves to a single family dwelling shall be the amount determined
9 by subtracting the family contribution as determined in
10 accordance with section 3(a) from the applicable payment
11 standard, except that such monthly assistance payment shall not
12 exceed the amount by which the rent for the dwelling unit
13 (including the amount allowed for utilities in the case of a unit
14 with separate utility metering) exceeds 10 percent of the
15 family's monthly income.

16 (B) For any family not covered by subparagraph (A), the
17 monthly assistance payment for the family shall be determined by
18 subtracting the family contribution as determined in accordance
19 with section 3(a) from the lower of the applicable payment
20 standard and the rent for the dwelling unit (including the amount
21 allowed for utilities in the case of a unit with separate utility
22 metering).

23 "(4) Assistance payments may be made only for:

24 "(A) a family determined to be a very low-income family
25 at the time the family initially receives assistance, or

1 "(B) another low-income family in circumstances
2 determined by the Secretary.

3 "(5) If a family vacates a dwelling unit before the
4 expiration of a lease term, no assistance payment may be made
5 with respect to the unit after the month during which the unit
6 was vacated.

7 "(6) The Secretary shall require that:

8 "(A) the public housing agency shall inspect the unit
9 before any assistance payment may be made to determine that
10 the unit meets housing quality standards for decent, safe,
11 and sanitary housing established by the Secretary for the
12 purpose of this section, and

13 "(B) the public housing agency shall make annual or
14 more frequent inspections during the contract term. No
15 assistance payment may be made for a dwelling unit which
16 fails to meet such quality standards.

17 "(7) The rent for units assisted under this subsection shall
18 be reasonable in comparison with rents charged for comparable
19 units in the private unassisted market. A public housing agency
20 shall review all rents for units under consideration by families
21 assisted under this subsection (and all rent increases for units
22 under lease by families assisted under this subsection) to
23 determine whether the rent (or rent increase) requested by an
24 owner is reasonable. If a public housing agency determines that

1 the rent (or rent increase) for a unit is not reasonable, the
2 agency may not approve a lease for such unit.

3 "(8) Except as provided in paragraph (2) of this subsection,
4 section 8(c) of this Act does not apply to assistance under this
5 subsection."

6 (b) In Section 3(a)(1) of the United States Housing Act of
7 1937, the second sentence is revised as follows:

8 (1) by striking "or paying rent under section
9 8(c)(3)(B)"; and

10 (2) by striking "the highest of the following amounts,
11 rounded to the nearest dollar:" and inserting "and the
12 family contribution for a family assisted under section 8(o)
13 or 8(y) shall be the highest of the following amounts,
14 rounded to the next dollar:".

15 (c) Section 8(b) of the United States Housing Act is
16 amended--

17 (1) by striking "Rental Certificates and Other Existing
18 Housing Programs.--" and inserting "(1)"; and

19 (2) by striking the second sentence.

20 (d) Section 8 of the United States Housing Act of 1937 is
21 amended--

22 (1) by striking subsection (c)(3)(B);

23 (2) in subsection (d)(2), by striking subparagraphs
24 (A), (B), (C), (D) and (E); and by redesignating

1 subparagraphs (F), (G) and (H) as subparagraphs (A), (B) and
2 (C) respectively;

3 (3) in subsection (f)(6), as redesignated by section
4 306(b)(2) of this Act, by striking "under subsection (b) or
5 (o)"; and

6 (4) by striking subsection (j).

7 **SEC. 204. SECTION 8 ADMINISTRATIVE FEES.**

8 (a) Section 202(a)(1)(A) of the Departments of Veterans
9 Affairs and Housing and Urban Development, Independent Agencies
10 Appropriations Act, 1997 is amended by--

11 (1) striking "7.5 percent" and inserting "7.65
12 percent";

13 (2) striking "a program of" and inserting "one or more
14 such programs totaling"; and

15 (3) inserting before the final period, "of such total
16 units".

17 (b) The amendments made by this section shall be effective
18 as of October 1, 1997.

19 **SEC. 205. SECTION 8 HOMEOWNERSHIP.**

20 **(a) AMENDMENTS TO SECTION 8(y).**--Section 8(y) of the United
21 States Housing Act of 1937 is amended--

22 (1) in paragraph (1), by striking "A family receiving"
23 through "if the family" and inserting the following:

1 "A public housing agency providing tenant-based assistance on
2 behalf of an eligible family under this section may provide
3 assistance for an eligible family that purchases a dwelling unit
4 (including a unit under a lease-purchase agreement) that will be
5 owned by one or more members of the family, and will be occupied
6 by the family, if the family";

7 (2) in paragraph (1)(A), by inserting before the
8 semicolon the following: ", or owns or is acquiring shares
9 in a cooperative";

10 (3) in paragraph (1), by amending paragraph (B) to read
11 as follows:

12 "(B)(i) in the case of disabled families and elderly
13 families, demonstrates that the family has income from
14 employment or other sources, as determined in accordance
15 with requirements of the Secretary, in such amount as may be
16 established by the Secretary; and

17 "(ii) in the case of other families, demonstrates that
18 the family has income from employment, as determined in
19 accordance with requirements of the Secretary, in such
20 amount as may be established by the Secretary;";

21 (4) in paragraph (1)(C), by striking "except as" and
22 inserting "except in the case of disabled families and
23 elderly families and as otherwise";

24 (5) in paragraph (1), by inserting at the end the
25 following:

1 "The Secretary or the public housing agency may target assistance
2 under this subsection for program purposes, such as to families
3 assisted in connection with the FHA multifamily demonstration
4 under section 212 of the Departments of Veterans Affairs and
5 Housing and Urban Development, and Independent Agencies
6 Appropriations Act, 1997.";

7 (6) by amending paragraph (2) to read as follows:

8 **"(2) DETERMINATION OF AMOUNT OF ASSISTANCE.--**The monthly
9 assistance payment for any family shall be the amount determined
10 by subtracting the family contribution as determined under
11 section 3(a) of this Act from the lower of:

12 "(A) the applicable payment standard, or

13 "(B) the monthly homeownership expenses, as determined
14 in accordance with requirements established by the
15 Secretary, of the family.";

16 (7) by redesignating paragraphs (6), (7), and (8), as
17 paragraphs (9), (10), and (11), respectively;

18 (8) by striking paragraphs (3), (4), and (5) and
19 inserting the following after paragraph (2):

20 **"(3) INSPECTIONS AND CONTRACT CONDITIONS.--**Each contract for
21 the purchase of a unit to be assisted under this section shall
22 provide for pre-purchase inspection of the unit by an independent
23 professional and shall require that any cost of necessary repairs
24 shall be paid by the seller. The requirement under section

1 8(o)(5)(B) for annual inspections of the unit shall not apply to
2 units assisted under this section.

3 **"(4) DOWNPAYMENT REQUIREMENT.--**Each public housing agency
4 providing assistance under this subsection shall require that
5 each assisted family make a significant contribution, from its
6 own resources, determined in accordance with guidelines
7 established by the Secretary, to cover all or a portion of the
8 downpayment required in connection with the purchase, which may
9 include credit for work by one or more family members to improve
10 the dwelling ("sweat equity").

11 **"(5) RESERVE FOR REPLACEMENTS.--**The Secretary shall require
12 each family to pay an amount equal to one percent of the monthly
13 amount payable by the family for principal and interest on its
14 acquisition loan into a reserve for repairs and replacements for
15 five years after the date of purchase. Any amounts remaining in
16 the reserve after five years shall be paid to the family.

17 **"(6) APPLICATION OF NET PROCEEDS UPON SALE.--**The Secretary
18 shall require that the net proceeds upon sale by a family of a
19 unit owned by the family while it received assistance under this
20 subsection shall be divided between the public housing agency and
21 the family. The Secretary shall establish guidelines for
22 determining the amount to be received by the family and the
23 amount to be received by the agency, which shall take into
24 account the relative amount of assistance provided on behalf of

1 the family in comparison with the amount paid by the family from
2 its own resources. The Secretary shall require the agency to use
3 any amounts received under this paragraph to provide assistance
4 under subsection (o) or this subsection.

5 **"(7) LIMITATION ON SIZE OF PROGRAM.--**A public housing agency
6 may permit no more than 10 percent of the families receiving
7 tenant-based assistance provided by the agency to use the
8 assistance for homeownership under this subsection. The
9 Secretary may permit no more than 5 percent of all families
10 receiving tenant-based assistance to use the assistance for
11 homeownership under this subsection.

12 **"(8) OTHER PROGRAM REQUIREMENTS.--**The Secretary may
13 establish such other requirements and limitations the Secretary
14 determines to be appropriate in connection with the provision of
15 assistance under this section, which may include limiting the
16 term of assistance for a family. The Secretary may modify the
17 requirements of this subsection where necessary to make
18 appropriate adaptations for lease-purchase agreements. The
19 Secretary shall establish performance measures and procedures to
20 monitor the provision of assistance under this subsection in
21 relation to the purpose of providing homeownership opportunities
22 for eligible families.";

23 (9) paragraph (10)(A)), as redesignated by
24 paragraph (7) of this section, is amended--

1 (A) by striking "dwelling, (ii)" and inserting
2 "dwelling, and (ii)"; and

3 (b) striking ", (iii)" and all that follows up to
4 the period; and

5 (10) by inserting after paragraph (11), as redesignated
6 by paragraph (7) of this section, the following:

7 **"(12) SUNSET.--**The authority to provide assistance to
8 additional families under this subsection shall terminate on
9 September 30, 2002. The Secretary shall then prepare a
10 report evaluating the effectiveness of homeownership
11 assistance under this subsection."

12 **(b) FAMILY SELF-SUFFICIENCY ESCROW.--**Section 23(d)(3) of the
13 United States Housing Act of 1937 is repealed.

14 **SEC. 206. WELFARE TO WORK CERTIFICATES.**

15 (a) To the extent of amounts approved in appropriations
16 Acts, the Secretary may provide funding for welfare to work
17 certificates in accordance with this section. "Certificates"
18 means tenant-based rental assistance in accordance with
19 section 8(o) of the United States Housing Act of 1937.

20 (b) Funding under this section shall be used for a
21 demonstration linking use of such certificate assistance with
22 welfare reform initiatives to help families make the transition
23 from welfare to work, and for technical assistance in connection
24 with such demonstration.

1 (c) Funding may only be awarded upon joint application by a
2 public housing agency and a State or local welfare agency.
3 Allocation of demonstration funding is not subject to section 213
4 of the Housing and Community Development Act of 1974.

5 (d) Assistance provided under this section shall not be
6 taken into account in determining the size of the family self-
7 sufficiency program of a public housing agency under section 23
8 of the United States Housing Act of 1937.

9 (e) For purposes of the demonstration, the Secretary may
10 waive, or specify alternative requirements for, requirements
11 established by or under this Act concerning the certificate
12 program, including requirements concerning the amount of
13 assistance, the family contribution, and the rent payable by the
14 family.

15 **SEC. 207. EFFECT OF FAILURE TO COMPLY WITH**

16 **PUBLIC ASSISTANCE REQUIREMENTS.**

17 Section 3(a) of the United States Housing Act of 1937, as
18 amended by section 102, is amended by inserting the following
19 after paragraph (3):

20 "(4)(A) If the welfare or public assistance benefits of a
21 covered family, as defined in subparagraph (G)(i), are reduced
22 under a Federal, State, or local law regarding such an assistance
23 program because of any failure of any member of the family to
24 comply with program conditions requiring participation in a

1 self-sufficiency program or requiring work activities as defined
2 in subparagraphs (G)(ii) and (iii), the family may not, for the
3 duration of the reduction, have the amount of rent or family
4 contribution determined under this subsection reduced as the
5 result of any decrease in the income of the family (to the extent
6 that the decrease in income is the result of the benefits
7 reduction).

8 "(B) If the welfare or public assistance benefits of a
9 covered family are reduced under a Federal, State, or local law
10 regarding the welfare or public assistance program because of any
11 failure of any member of the family to comply with the self-
12 sufficiency or work activities requirements, the portion of the
13 amount of any increase in the earned income of the family
14 occurring after such reduction up to the amount of the reduction
15 for noncompliance shall not result in an increase in the amount
16 of rent or family contribution determined under this subsection
17 during the period the family would otherwise be eligible for
18 welfare or public assistance benefits under the program.

19 "(C) Any covered family residing in public housing that is
20 affected by the operation of this paragraph shall have the right
21 to review the determination under this paragraph through the
22 administrative grievance procedures established pursuant to
23 section 6(k) for the public housing agency.

24 "(D) Subparagraph (A) shall not apply to any covered family
25 before the public housing agency providing assistance under this

1 Act on behalf of the family receives written notification from
2 the relevant welfare or public assistance agency specifying that
3 the benefits of the family have been reduced because of
4 noncompliance with self-sufficiency program requirements and the
5 level of such reduction.

6 "(E) Subparagraph (A) shall not apply in any case in which
7 the benefits of a family are reduced because the welfare or
8 public assistance program to which the Federal, State, or local
9 law relates limits the period during which benefits may be
10 provided under the program.

11 "(F) This paragraph may not be construed to authorize any
12 public housing agency to limit the duration of tenancy in a
13 public housing dwelling unit or of tenant-based assistance.

14 "(G) For purposes of this section--

15 "(i) The term `covered family' means a family that--

16 "(I) receives benefits for welfare or public assistance
17 from a State or other public agency under a program for
18 which the Federal, State, or local law relating to the
19 program requires, as a condition of eligibility for
20 assistance under the program, participation of a member of
21 the family in a self-sufficiency program or work activities;
22 and

23 "(II) resides in a public housing dwelling unit or
24 receives assistance under section 8.

1 "(ii) The term `self-sufficiency program' means any program
2 designed to encourage, assist, train, or facilitate the economic
3 independence of participants and their families or to provide
4 work for participants, including programs for job training,
5 employment counseling, work placement, basic skills training,
6 education, workfare, money or household management,
7 apprenticeship, or other activities.

8 "(iii) The term `work activities' means--

9 "(I) unsubsidized employment;

10 "(II) subsidized private sector employment;

11 "(III) subsidized public sector employment;

12 "(IV) work experience (including work associated with
13 the refurbishing of publicly assisted housing) if sufficient
14 private sector employment is not available;

15 "(V) on-the job training;

16 "(VI) job search and job readiness assistance;

17 "(VII) community service programs;

18 "(VIII) vocational education training (not to exceed 12
19 months with respect to any individual;

20 "(IX) job skills training directly related to
21 employment;

22 "(X) education directly related to employment, in the
23 case of a recipient who has not received a high school
24 diploma or certificate of high school equivalency;

1 "(XI) satisfactory attendance at secondary school or in
2 a course of study leading to a certificate of general
3 equivalence, in the case of a recipient who has not
4 completed secondary school or received such a certificate;
5 and

6 "(XII) the provision of child care services to an
7 individual who is participating in a community service
8 program.".

9 **SEC. 208. STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.**

10 **(a) "TAKE-ONE, TAKE-ALL".**--Section 8(t) of the United States
11 Housing Act of 1937 is hereby repealed.

12 **(b) EXEMPTION FROM NOTICE REQUIREMENTS FOR THE CERTIFICATE**
13 **AND VOUCHER PROGRAMS.**--Section 8(c) of such Act is amended--

14 (1) in paragraph (8), by inserting after "section" the
15 following: "(other than a contract for tenant-based
16 assistance)"; and

17 (2) in the first sentence of paragraph (9), by striking
18 "(but not less than 90 days in the case of housing
19 certificates or vouchers under subsection (b) or (o))" and
20 inserting ", other than a contract for tenant-based
21 assistance under this section".

22 **(c) ENDLESS LEASE.**--Section 8(d)(1)(B) of such Act is
23 amended--

1 (1) in clause (ii), by inserting "during the term of
2 the lease," after "(ii)"; and

3 (2) in clause (iii), by striking "provide that" and
4 inserting "during the term of the lease,".

5 **(d) REPEAL.**--Section 203 of the Departments of Veterans
6 Affairs and Housing and Urban Development, and Independent
7 Agencies Appropriations Act, 1996 is hereby repealed.

8 **SEC. 209. INCOME VERIFICATION.**

9 **(a) REINSTITUTION OF REQUIREMENTS REGARDING HUD ACCESS TO**
10 **CERTAIN INFORMATION OF STATE AGENCIES.**

11 **(1) IN GENERAL.**--Subsection (i) of section 303 of the Social
12 Security Act is amended by striking paragraph (5).

13 **(2) EFFECTIVE DATE.**--The amendment made by this subsection
14 shall apply to requests for information made after the date of
15 the enactment of this Act.

16 **(b) REPEAL OF TERMINATION REGARDING HOUSING ASSISTANCE**
17 **PROGRAMS.**--Subparagraph (D) of section 6103(1)(7) of the Internal
18 Revenue Code of 1986 is amended by striking the last sentence.

19 **SEC. 210. NONDISCRIMINATION AGAINST CERTIFICATE AND**
20 **VOUCHER HOLDERS.**

21 In the case of any multifamily rental housing that is
22 receiving, or (except for insurance referred to in paragraph (4))
23 has received within two years before the effective date of this
24 section, the benefit of Federal assistance from an agency of the

1 United States, the owner shall not refuse to lease a reasonable
2 number of units to families under the tenant-based assistance
3 program under section 8 of the United States Housing Act of 1937
4 because of the status of the prospective tenants as families
5 under that program. The Secretary shall establish reasonable
6 time periods for applying the requirement of this section, taking
7 into account the total amount of the assistance and the relative
8 share of the assistance compared to the total cost of financing,
9 developing, rehabilitating, or otherwise assisting a project.

10 Federal assistance for purposes of this subsection shall mean--

11 (1) project-based assistance under the United States
12 Housing Act of 1937;

13 (2) assistance under title I of the Housing and
14 Community Development Act of 1974;

15 (3) assistance under title II of the Cranston-Gonzalez
16 National Affordable Housing Act;

17 (4) mortgage insurance under the National Housing Act;

18 (5) low-income housing tax credits under section 42 of
19 the Internal Revenue Code of 1986;

20 (6) assistance under title IV of the Stewart B.
21 McKinney Homeless Assistance Act; and

22 (7) assistance under any other programs designated by
23 the Secretary of Housing and Urban Development.

24 **SEC. 211. RECAPTURE AND REUSE OF ACC PROJECT RESERVES UNDER**

THE TENANT-BASED ASSISTANCE PROGRAM.

Section 8(d) of the United States Housing Act of 1937 is amended by inserting at the end the following new paragraph:

"(5) To the extent that the Secretary determines that the amount in the ACC reserve account under a contract with a public housing agency for tenant-based assistance under this section is in excess of the amount needed by the agency, the Secretary shall recapture such excess amount. The Secretary may hold recaptured amounts in reserve until needed to amend or renew such contracts with any agency.".

**SEC. 212. EXPANDING THE COVERAGE OF THE PUBLIC AND ASSISTED
HOUSING DRUG ELIMINATION ACT OF 1990 TO INCLUDE
OTHER TYPES OF CRIME AND TO PROVIDE FORMULA
FUNDING.**

(a) The Public and Assisted Housing Drug Elimination Act of 1990 is amended--

(1) in section 5126(2)--

(A) in the heading, by inserting "AND OTHER" after "RELATED";

(B) by striking "drug-related crime" and inserting "drug-related and other crime"; and

(C) by inserting before the period the following:
"and, as determined by the Secretary, other types of
crime"; and

1 (2) in sections 5122(2), 5122(4), 5123, 5124(a)(4)(A),
2 5124(b), 5125(a), 5125(b)(1), 5125(c)(2), 5125(d), and 5128,
3 by striking "drug-related crime" and inserting "drug-related
4 and other crime".

5 (b) Section 5125 of such Act is amended--

6 (1) in the heading (and in the table of contents in
7 section 5001 of the Anti-Drug Abuse Act of 1988
8 accordingly), by inserting after **"APPLICATIONS"** the
9 following: **"AND FORMULA ALLOCATION"**;

10 (2) by striking "(a) IN GENERAL" and inserting "(a)(1)
11 APPLICATIONS";

12 (3) by redesignating subsections (b), (b)(1), (b)(2),
13 (b)(3), and (b)(4) as subsections (a)(2), (a)(2)(A),
14 (a)(2)(B), (a)(2)(C), and (a)(2)(D);

15 (4) by redesignating subsections (c), (c)(1), and
16 (c)(2) as subsections (a)(3), (a)(3)(A), and (a)(3)(B);

17 (5) by redesignating subsection (d) as
18 subsection (a)(4);

19 (6) in subsection (a)(1), as redesignated, by striking
20 "a public housing agency, a public housing resident
21 management corporation, or";

22 (7) in subsection (a)(2), as redesignated--

23 (A) by striking "subsections (c) and (d)" and
24 inserting "paragraphs (3) and (4)"; and

1 (B) in subparagraphs (A) and (B), by striking
2 "public or" the two places it appears;
3 (8) in subsection (a)(3), as redesignated, by striking
4 "subsection (b)" and inserting "paragraph (2)";
5 (9) in subsection (a)(4), as redesignated, by striking
6 "subsection (b)" and inserting "paragraph (2)"; and
7 (10) by adding the following new subsection at the end:

8 **"(b) FORMULA ALLOCATION.--**After setting aside amounts as
9 provided in section 5130, the Secretary shall make grants to
10 eligible recipients, except for owners of federally assisted low-
11 income housing, in accordance with a formula established by the
12 Secretary, which shall--

13 "(1) take into account the needs of the eligible
14 recipient for anti-drug and anti-crime funding, and the
15 amount of funding that the eligible recipient has received
16 under this chapter during fiscal years 1995, 1996, and 1997;
17 and

18 "(2) not exclude an eligible recipient that has not
19 received funding during such fiscal years.

20 The Secretary may withhold, withdraw, or deny funds to a grantee
21 if the Secretary determines that the grantee has not demonstrated
22 satisfactory performance under a security indicator established
23 by the Secretary."

1 (c) Section 5128 of such Act is amended by striking
2 "section 5125(a)" and inserting "section 5125(a)(1),
3 section 5A(a)(1)(D)(iv) of the United States Housing Act of 1937,
4 or section 102(c)(4)(J) of the Native American Housing Assistance
5 and Self-Determination Act of 1996".

6 (d) Section 5130 of such Act is amended--

7 (1) by amending the first sentence of subsection (a) to
8 read as follows:

9 "There are authorized to be appropriated to carry out this
10 chapter \$290,000,000 for fiscal year 1998 and such sums as may be
11 necessary for fiscal years 1999, 2000, 2001, and 2002.";

12 (2) in subsection (b)--

13 (A) by striking "SET-ASIDES" and inserting "SET-
14 ASIDE FOR FEDERALLY ASSISTED LOW-INCOME HOUSING"; and

15 (B) by striking the second sentence; and

16 (3) by amending subsection (c) to read as follows:

17 **"(c) SET-ASIDE FOR TECHNICAL ASSISTANCE.--**Of any amount made
18 available in any fiscal year to carry out this chapter, the
19 Secretary shall set aside amounts, to be provided directly or
20 indirectly by grants, contracts, or cooperative agreements, for
21 training, technical assistance, program assessment, execution,
22 and other assistance for or on behalf of public housing agencies,
23 tribally designated housing entities, resident organizations, and
24 officials and employees of the Department (including training and

1 the cost of necessary travel for participants in such training,
2 by or to officials and employees of the Department and of public
3 housing agencies, and to residents and to other eligible
4 grantees.".

5 **TITLE III—"ONE-STRIKE AND YOU'RE OUT"**

6 **OCCUPANCY PROVISIONS**

7 **SEC. 301. SCREENING OF APPLICANTS.**

8 **(a) INELIGIBILITY BECAUSE OF PAST EVICTIONS.**—Any household
9 or member of a household evicted from federally assisted housing
10 (as defined in section 305(a)) by reason of drug-related criminal
11 activity (as defined in section 305(c)) or for other serious
12 violations of the terms or conditions of the lease shall not be
13 eligible for federally assisted housing—

14 (1) in the case of eviction by reason of drug-related
15 criminal activity, for a period of not less than three years
16 from the date of the eviction unless the evicted member of
17 the household successfully completes a rehabilitation
18 program; and

19 (2) for other evictions, for a reasonable period of
20 time as determined by the public housing agency or owner of
21 the federally assisted housing, as applicable.

22 The requirements of paragraphs (1) and (2) may be waived if the
23 circumstances leading to eviction no longer exist.

1 **(b) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL**

2 **ABUSERS.**—Notwithstanding any other provision of law, a public
3 housing agency or an owner of federally assisted housing, or
4 both, as determined by the Secretary, shall establish standards
5 that prohibit admission to the program or admission to federally
6 assisted housing for any household with a member—

7 (1) who the public housing agency or the owner
8 determines is engaging in the illegal use of a controlled
9 substance; or

10 (2) with respect to whom the public housing agency or
11 the owner determines that it has reasonable cause to believe
12 that such household member's illegal use (or pattern of
13 illegal use) of a controlled substance, or abuse (or pattern
14 of abuse) of alcohol would interfere with the health,
15 safety, or right to peaceful enjoyment of the premises by
16 other residents.

17 **(c) CONSIDERATION OF REHABILITATION.**—In determining
18 whether, pursuant to subsection (b)(2), to deny admission to the
19 program or to federally assisted housing to any household based
20 on a pattern of illegal use of a controlled substance or a
21 pattern of abuse of alcohol by a household member, a public
22 housing agency or an owner may consider whether such household
23 member—

1 (1) has successfully completed an accredited drug or
2 alcohol rehabilitation program (as applicable) and is no
3 longer engaging in the illegal use of a controlled substance
4 or abuse of alcohol (as applicable);

5 (2) has otherwise been rehabilitated successfully and
6 is no longer engaging in the illegal use of a controlled
7 substance or abuse of alcohol (as applicable); or

8 (3) is participating in an accredited drug or alcohol
9 rehabilitation program (as applicable) and is no longer
10 engaging in the illegal use of a controlled substance or
11 abuse of alcohol (as applicable).

12 **(d) AUTHORITY TO DENY ADMISSION TO THE PROGRAM OR TO**
13 **FEDERALLY ASSISTED HOUSING FOR CERTAIN CRIMINAL OFFENDERS.—**In
14 addition to the provisions of subsections (a) and (b) and in
15 addition to any other authority to screen applicants, in
16 selecting among applicants for admission to the program or to
17 federally assisted housing, if the public housing agency or owner
18 of such housing, as applicable, determines that an applicant or
19 any member of the applicant's household is or was, during a
20 reasonable time preceding the date when the applicant household
21 would otherwise be selected for admission, engaged in any drug-
22 related or violent criminal activity or other criminal activity
23 which would adversely affect the health, safety, or right to

1 peaceful enjoyment of the premises by other residents, the owner
2 or public housing agency may—

3 (1) deny such applicant admission to the program or to
4 federally assisted housing; and

5 (2) after expiration of the reasonable period beginning
6 upon such activity, require the applicant, as a condition of
7 admission to the program or to federally assisted housing,
8 to submit to the owner or public housing agency evidence
9 sufficient (as the Secretary shall by regulation provide) to
10 ensure that the individual or individuals in the applicant's
11 household who engaged in such criminal activity for which
12 denial was made under this subsection have not engaged in
13 any such criminal activity during such reasonable time.

14 **(e) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—**A
15 public housing agency may require, as a condition of providing
16 admission to the public housing program, that each adult member
17 of the household provide a signed, written authorization for the
18 public housing agency to obtain records described in section 304
19 regarding such member of the household from the National Crime
20 Information Center, police departments, and other law enforcement
21 agencies.

22 **SEC. 302. TERMINATION OF TENANCY AND ASSISTANCE.**

23 **(a) TERMINATION OF TENANCY AND ASSISTANCE FOR ILLEGAL DRUG**
24 **USERS AND ALCOHOL ABUSERS.—**Notwithstanding any other provision

1 of law, a public housing agency or an owner of federally assisted
2 housing, as applicable, shall establish standards or lease
3 provisions for continued assistance or occupancy in federally
4 assisted housing that allow a public housing agency or the owner,
5 as applicable, to terminate the tenancy or assistance for any
6 household with a member—

7 (1) who the public housing agency or owner determines
8 is engaging in the illegal use of a controlled substance; or

9 (2) whose illegal use of a controlled substance, or
10 whose abuse of alcohol, is determined by the public housing
11 agency or owner to interfere with the health, safety, or
12 right to peaceful enjoyment of the premises by other
13 residents.

14 **(b) TERMINATION OF ASSISTANCE FOR SERIOUS LEASE**

15 **VIOLATION.**—Notwithstanding any other provision of law, the
16 public housing agency must terminate tenant-based assistance for
17 all household members if the household is evicted from assisted
18 housing for serious violation of the lease.

19 **SEC. 303. LEASE REQUIREMENTS.**

20 In addition to any other applicable lease requirements, each
21 lease for a dwelling unit in federally assisted housing shall
22 provide that—

23 (1) the owner may not terminate the tenancy except for
24 serious or repeated violation of the terms and conditions of

1 the lease, violation of applicable Federal, State, or local
2 law, or other good cause; and

3 (2) grounds for termination of tenancy shall include
4 any activity, engaged in by the tenant, any member of the
5 tenant's household, any guest, or any other person under the
6 control of any member of the household, that—

7 (A) threatens the health or safety of, or right to
8 peaceful enjoyment of the premises by, other tenants or
9 employees of the public housing agency, owner or other
10 manager of the housing,

11 (B) threatens the health or safety of, or right to
12 peaceful enjoyment of their residences by, persons
13 residing in the immediate vicinity of the premises, or

14 (C) is drug-related or violent criminal activity
15 on or off the premises.

16 **SEC. 304. AVAILABILITY OF CRIMINAL RECORDS FOR**

17 **PUBLIC HOUSING TENANT SCREENING AND EVICTION.**

18 **(a) IN GENERAL.—**

19 **(1) PROVISION OF INFORMATION.—**Notwithstanding any other
20 provision of law other than paragraphs (2) and (3), upon the
21 request of a public housing agency, the National Crime
22 Information Center, a police department, and any other law
23 enforcement agency shall provide to the public housing agency
24 information regarding the criminal conviction records of an adult

1 applicant for, or tenants of, the public housing for purposes of
2 applicant screening, lease enforcement, and eviction, but only if
3 the public housing agency requests such information and presents
4 to such Center, department, or agency a written authorization,
5 signed by such applicant, for the release of such information to
6 such public housing agency.

7 **(2) EXCEPTION.**—A law enforcement agency described in
8 paragraph (1) shall provide information under this paragraph
9 relating to any criminal conviction of a juvenile only to the
10 extent that the release of such information is authorized under
11 the law of the applicable State, tribe, or locality.

12 **(b) CONFIDENTIALITY.**—A public housing agency receiving
13 information under this section may use such information only for
14 the purposes provided in this section and such information may
15 not be disclosed to any person who is not an officer, employee,
16 or authorized representative of the public housing agency and who
17 has a job-related need to have access to the information in
18 connection with admission of applicants, eviction of tenants, or
19 termination of assistance. However, for judicial eviction
20 proceedings, disclosures may be made to the extent necessary.
21 The Secretary shall, by regulation, establish procedures
22 necessary to ensure that information provided under this section
23 to any public housing agency is used, and confidentiality of such
24 information is maintained, as required under this section.

1 **(c) OPPORTUNITY TO DISPUTE.**—Before an adverse action is
2 taken with regard to assistance for public housing on the basis
3 of a criminal record, the public housing agency shall provide the
4 tenant or applicant with a copy of the criminal record and an
5 opportunity to dispute the accuracy and relevance of that record.

6 **(d) FEE.**—A public housing agency may be charged a
7 reasonable fee for information provided under subsection (a).

8 **(e) RECORDS MANAGEMENT.**—Each public housing agency that
9 receives criminal record information under this section shall
10 establish and implement a system of records management that
11 ensures that any criminal record received by the agency is—

12 (1) maintained confidentially;

13 (2) not misused or improperly disseminated; and

14 (3) destroyed in a timely fashion, once the purpose for
15 which the record was requested has been accomplished.

16 **(f) PENALTY.**—Any person who knowingly and willfully
17 requests or obtains any information concerning an applicant for,
18 or resident of, public housing pursuant to the authority under
19 this section under false pretenses, or any person who knowingly
20 or willfully discloses any such information in any manner to any
21 individual not entitled under any law to receive it, shall be
22 guilty of a misdemeanor and fined not more than \$5,000. The term
23 "person" as used in this subsection shall include an officer,

1 employee, or authorized representative of any public housing
2 agency.

3 **(g) CIVIL ACTION.**—Any applicant for, or resident of, public
4 housing affected by (1) a negligent or knowing disclosure of
5 information referred to in this section about such person by an
6 officer or employee of any public housing agency, which
7 disclosure is not authorized by this section, or (2) any other
8 negligent or knowing action that is inconsistent with this
9 section, may bring a civil action for damages and such other
10 relief as may be appropriate against any public housing agency
11 responsible for such unauthorized action. The district court of
12 the United States in the district in which the affected applicant
13 or resident resides, in which such unauthorized action occurred,
14 or in which the officer or employee alleged to be responsible for
15 any such unauthorized action resides, shall have jurisdiction in
16 such matters. Appropriate relief that may be ordered by such
17 district courts shall include reasonable attorney's fees and
18 other litigation costs.

19 **(h) DEFINITION OF ADULT.**—For purposes of this section, the
20 term "adult" means a person who is 18 years of age or older, or
21 who has been convicted of a crime as an adult under any Federal,
22 State, or tribal law.

23 **SEC. 305. DEFINITIONS.**

1 For purposes of this title, the following definitions shall
2 apply:

3 **(a) FEDERALLY ASSISTED HOUSING.**—The term "federally
4 assisted housing" means a unit in—

5 (1) public housing under the United States Housing Act
6 of 1937;

7 (2) housing assisted under section 8 of the United
8 States Housing Act of 1937 including both tenant-based
9 assistance and project-based assistance;

10 (3) housing that is assisted under section 202 of the
11 Housing Act of 1959 (as amended by section 801 of the
12 Cranston-Gonzalez National Affordable Housing Act);

13 (4) housing that is assisted under section 202 of the
14 Housing Act of 1959, as such section existed before
15 enactment of the Cranston-Gonzalez National Affordable
16 Housing Act;

17 (5) housing that is assisted under section 811 of the
18 Cranston-Gonzalez National Affordable Housing Act;

19 (6) housing financed by a loan or mortgage insured
20 under section 221(d)(3) of the National Housing Act that
21 bears interest at a rate determined under the proviso of
22 section 221(d)(5) of such Act;

(7) housing with a mortgage insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act; and

(8) for purposes only of subsections 301(c), 301(d), 303, and 304, housing assisted under section 515 of the Housing Act of 1949.

(b) DRUG-RELATED CRIMINAL ACTIVITY.—The term "drug-related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

(c) OWNER.—The term "owner" means, with respect to federally assisted housing, the entity or private person, including a cooperative or public housing agency, that has the legal right to lease or sublease dwelling units in such housing.

SEC. 306. CONFORMING AMENDMENTS.

(a) CONSOLIDATION OF PUBLIC HOUSING ONE STRIKE PROVISIONS.—Section 6 of the United States Housing Act of 1937 is amended—

(1) by striking subsections (1)(4) and (1)(5) and the last sentence of subsection (1), and redesignating paragraphs (6) and (7) as paragraphs (4) and (5);

(2) by striking subsection (q); and

(3) by striking subsection (r).

1 **(b) CONSOLIDATION OF SECTION 8 ONE STRIKE**

2 **PROVISIONS.**—Section 8 of the United States Housing Act of 1937
3 (42 U.S.C. 1437f) is amended—

4 (1) by striking subsections (d)(1)(B)(ii) and
5 (d)(1)(B)(iii), and redesignating clauses (iv) and (v) as
6 clauses (ii) and (iii); and

7 (2) by striking subsection (f)(5) and redesignating
8 paragraphs (6) and (7) as paragraphs (5) and (6),
9 respectively.

10 **(c) CONSOLIDATION OF ONE STRIKE ELIGIBILITY**

11 **PROVISIONS.**—Section 16 of the United States Housing Act of 1937
12 is amended by striking subsection (e).

13